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Highlights of 1962 State Legislation  
Affecting the REA Programs

Protection of Cooperative Territory

Enacted:

Virginia - S.J.Res. 50 directs the Virginia Advisory Legislative Council to make a study of municipal electric service being furnished outside the territorial limits of cities and towns within the Commonwealth of Virginia and the advisability of making the Utility Facilities Act applicable to such service. (See S.B. 191, Failed, below.)

Failed:

Alaska - H.B. 454 would have declared public interest required that the public be protected from economic waste resulting from duplication and overlapping of electric distribution facilities; prohibited duplication of distribution facilities by electric suppliers to premises already receiving service or construction of extensions to unserved premises located within 1000 feet of a distribution line of another supplier except with written consent of such supplier, but did not preclude a supplier from extending service to its own property or to another supplier for resale or to serve unserved premises located in closest proximity to its lines; permitted continuation and extension of service in areas incorporated into a city, town, village or borough subject to lawful safety requirements and authorized utilization of public lands and thoroughfares; provided for delineation of service areas by the Alaska Public Service Commission upon request in order to prevent duplication of facilities and authorized the Commission to review complaints of adequacy of service and enforce provisions of act; defined "electric supplier" to mean any commercial or cooperative organization and any state or political subdivision engaged in selling electric power whose gross annual income therefrom equals or exceeds \$100,000.

Louisiana - H.B. 425 and S.B. 228 would have prohibited duplication of service by electric suppliers to premises already receiving service or construction of facilities to serve premises located within 300 feet of distribution lines of another supplier except with such supplier's written consent; provided that supplier would not be precluded from extending service to its own property or facilities, to another supplier for resale, or when the unserved premises are located closer to its own distribution lines even though such premises are within 300 feet of another supplier's line; permitted aggrieved consumers to apply to District Court for release from present electric supplier upon finding that service is inadequate; defined "distribution lines" to mean lines operated at not to exceed 25,000 volts and "supplier" to mean any person, corporation, firm or cooperative engaged in the transmission, distribution or sale of electric energy; and provided for court enforcement.





Michigan - H.B. 683 would have prohibited duplication of service by electric suppliers to premises already receiving service or construction of extensions to unserved premises located within 1000 feet of a distribution line of another supplier except with the written consent of such supplier, but did not preclude a supplier from extending service to its own property or to another supplier for resale or to serve unserved premises located in closest proximity to its own lines; permitted continuation and extension of service in areas incorporated into a city, town or village, subject to lawful safety requirements and authorized utilization of public lands and thoroughfares; defined "electric supplier" to mean any commercial or cooperative organization and municipal or other public agencies with respect to operations outside of their municipal or territorial limits; provided for enforcement by the Michigan Public Service Commission.

South Carolina - H. 2136 and S. 588 would have prohibited duplication of service by electric suppliers to premises already receiving service or to which service is available from facilities of another supplier through an extension of not more than 500 feet, unless written consent of other supplier is given or county court finds that service rendered or to be rendered is inadequate and will not be made adequate; prohibition would not apply where two or more electric suppliers have distribution lines within 500 feet or where no supplier had a line within 500 feet nor would it preclude a supplier from extending service to its own property or to another supplier for resale; written consent would be required for an electric supplier to build a distribution line within 500 feet of another supplier's distribution line except where necessary to cross such lines; defined "supplier of electric service" to mean all commercial, cooperative and municipal corporations and public agencies and "distribution line" to mean lines operated at not to exceed 25,000 volts; provided for court enforcement. (See H. 2137 and S. 589, Amendment of Cooperative Enabling Laws, Failed, above.)

Virginia - S.B. 191 would have amended the Utility Facilities Act to provide that electric operations of a municipal corporation or a county outside of its territorial limits shall be subject to jurisdiction of the State Corporation Commission and that an order of the Commission directed against a county, city or town be enforced by mandamus or other proper process issuing from the Commission. (See S.J.Res. 50, Enacted, above.)





UNITED STATES DEPARTMENT OF AGRICULTURE  
Rural Electrification Administration

1962 State Legislation Affecting the REA Programs  
Highlights of State Legislative Developments - Through July 1962  
Final Report - August 2, 1962

General. Since the beginning of the year 28 state legislatures convened in regular, budget and special sessions. The legislatures of Delaware, Florida, Michigan, New Jersey and Vermont are still in session.

This report covers bills directly affecting the REA programs and those of collateral interest which have been brought to our attention.

ELECTRIFICATION

Amendment of Cooperative Enabling Laws

Enacted:

Kentucky - H.B. 233, approved March 3, 1962, amends general powers provision of Rural Electric Cooperative Corporation Act to broaden methods cooperative may use in exercise of the right of eminent domain.

Failed:

Georgia - S.B. 265, killed in Senate, would have amended the Electric Membership Corporation Act by adding provisions authorizing certain foreign nonprofit or municipal corporations engaged in business of transmitting or distributing electrical energy to operate in the state without complying with any statute pertaining to the qualification of foreign corporations, by designating the Secretary of State as agent to accept service of process, and providing that with respect to operations within the state such corporations shall have only the rights, powers, privileges and immunities of a corporation organized under the Act.

Louisiana - H.B. 136 would have repealed Sec. 24 of Electric Cooperative Act providing for the annual payment of a fee of ten dollars for each one hundred persons or fraction thereof to whom electricity is supplied, which fee is in lieu of all other excise and income taxes.

South Carolina - H. 2137 and S. 589 would have amended the Rural Electric Cooperative Act to provide that the right of rural electric cooperatives to continue service in areas they serve not be affected by subsequent incorporation, annexation or population growth; to subject cooperatives serving within a municipality to municipal taxation; to provide for sale of cooperative facilities within a municipality to municipal electric systems; and to give county court jurisdiction in disputes over establishment of fair prices for facilities. (See H. 2136 and S. 588, Protection of Cooperative Territory, Failed, below.)

Protection of Cooperative Territory

Enacted:

Virginia - S.J.Res. 50 directs the Virginia Advisory Legislative Council to make a study of municipal electric service being furnished outside the territorial limits of cities and towns within the Commonwealth of Virginia and the advisability of making the Utility Facilities Act applicable to such service. (See S.B. 191, Failed, below.)

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Louisiana - H.B. 425 and S.B. 228 would have prohibited duplication of service by electric suppliers to premises already receiving service or construction of facilities to serve premises located within 300 feet of distribution lines of another supplier except with such supplier's written consent; provided that supplier would not be precluded from extending service to its own property or facilities, to another supplier for resale, or when the unserved premises are located closer to its own distribution lines even though such premises are within 300 feet of another supplier's line; permitted aggrieved consumers to apply to District Court for release from present electric supplier upon finding that service is inadequate; defined "distribution lines" to mean lines operated at not to exceed 25,000 volts and "supplier" to mean any person, corporation, firm or cooperative engaged in the transmission, distribution or sale of electric energy; and provided for court enforcement.



Michigan - H.B. 683 would have prohibited duplication of service by electric suppliers to premises already receiving service or construction of extensions to unserved premises located within 1000 feet of a distribution line of another supplier except with the written consent of such supplier, but did not preclude a supplier from extending service to its own property or to another supplier for resale or to serve unserved premises located in closest proximity to its own lines; permitted continuation and extension of service in areas incorporated into a city, town or village, subject to lawful safety requirements and authorized utilization of public lands and thoroughfares; defined "electric supplier" to mean any commercial or cooperative organization and municipal or other public agencies with respect to operations outside of their municipal or territorial limits; provided for enforcement by the Michigan Public Service Commission.

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## Electrical Licensing and/or Inspection

### Enacted:

Mississippi - H.B. 381 authorizes county electrical codes.

South Carolina - H. 2256 amends act requiring building permits in certain counties to make it unlawful for public utility to furnish service to a building for which no permit has been secured and provides penalties for violations.

### Failed:

Arizona - H.B. 41 would have authorized counties which had adopted zoning plans to adopt and enforce electrical codes.

Louisiana - H.B. 384 would have provided that protective measures be required to be taken in connection with work performed in close proximity with high-voltage electrical currents.

New York - S. 1343 would have added provisions to General Municipal Law requiring inspection of electrical wiring and issuance of certificates of occupancy and providing for reinspection every 10 years.

## Power Supply and Electric Lines

### Enacted:

Alaska - H.J.Res. 57 urges the Congress of the United States to expedite the construction of the Bradley Lake hydroelectric project and the Crater-Long Lakes division of the Snettisham hydroelectric project.

Maryland - H.J.Res. 3, approved March 23, 1962, J.Res. 15, urges development of Potomac River Basin by means of a Federally administered and financed program.

South Carolina - H. 2073 memorializes Congress to enact legislation authorizing Duke Power Co. to construct a dam across the Savannah River in conjunction with construction of a steam generating plant.

### Failed:

Alaska - S.B. 43 would have established the Alaska Power Authority.

## Atomic Energy - Radiation Regulation

### Enacted:

Kentucky - S.B. 326, approved March 15, 1962, creates the Kentucky Atomic Energy Authority.

Maryland - S.B. 106, approved March 23, 1962, Chap. 52, authorizes the Governor to enter into agreements with the Federal Government to assume certain responsibilities for control of radiation.

### Failed:

Arizona - S.B. 102 would have created the Arizona Atomic Energy Commission.

New York - S. 1707 and A. 93 would have prohibited transportation of certain radioactive materials or nuclear fuel elements.

## Southern Interstate Nuclear Compact

### Enacted:

Georgia - H.B. 745.

Mississippi - H.B. 561.

Virginia - S.B. 221.

## Taxation

### Failed:

Arizona - S.C.Res. 2, H.C.Res. 27 and H.B. 325 would have removed tax exempt status of power and electrical districts.

Louisiana - H.B. 136. (See Amendment of Cooperative Enabling Laws, Failed, above.)

## Miscellaneous

### Enacted:

Louisiana - H.B. 418, approved June 13, 1962, Act. 29, amends La. Rev. Stat. 45-846 to permit utilities to issue estimated bills for services.

Maryland - S.B. 43, approved March 23, 1962, Chap. 24, authorizes Public Service Commission to maintain equipment for calibrating electric meters.



Failed:

South Carolina - H. 2299 would have required public utility companies and rural electric cooperatives to file a monthly report with county auditor of each new connection of electrical energy to a new building or facility.

ELECTRIFICATION AND TELEPHONE

Commission Regulation

Failed:

New York - A. 118 would have required State to be party to proceedings involving reasonableness of utility rates and application for rate increase.

- A. 1763 and A. 2882 would have required Public Service Commission to file report with legislature upon grant of increase in electric or gas rates with increase to be subject to disapproval by the legislature.

South Carolina - H. 2326 would have created committee to study administration and procedures of the South Carolina Public Service Commission.

Utility Relocation

Failed:

Georgia - H.B. 975 would have provided that owners of utility facilities pay the expense of relocating or removing their facilities in connection with projects for the repair, reconstruction or relocation of any road, street or highway.

Uniform Disposition of Unclaimed Property Act

Failed:

Maryland - S.B. 19.

Mississippi - H.B. 89.

Uniform Commercial Code

Enacted:

Alaska - H.B. 120.

Georgia - H.B. 732.

Kentucky - S.B. 1146 (amendments to the Uniform Commercial Code which were approved by the Commissioners on Uniform State Laws in 1958).

Michigan - S.B. 1047.

New York - S. 1928.

Virginia - H.J.Res. 16, provide for studies to be made of the Uniform Commercial Code.

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Mississippi - S.B. 1949.

TELEPHONE

Amendment of Cooperative Enabling Legislation

Failed:

Kentucky - H.B. 95 would have amended Rural Telephone Cooperative Corporation Act to provide for election of one-third of the board of trustees annually for 3-year terms in place of one-half of the board for 2-year terms.

- H.B. 422 would have amended Rural Telephone Cooperative Corporation Act relative to the name of a cooperative to permit inclusion of the words "Telephone" and "Corporation" or "Incorporated" or the abbreviation "Inc." or the word "Company" or the abbreviation "Co." as well as the word "Cooperative."

Taxation

Enacted:

Mississippi - H.B. 127 amends law authorizing county boards of supervisors and municipal authorities to grant exemptions from ad valorem taxation on certain classes of property by including rural lines, instruments and equipment used to provide rural communications service.

Use of Telephone Facilities

Enacted:

Georgia - H.B. 945 provides for disconnection of telephones used for illegal purposes upon receipt of notice from a law enforcement officer.

Kentucky - H.B. 94 provides penalties for failure to relinquish telephone party lines in emergencies.

Failed:

Georgia - H.B. 933 would have prohibited use of certain language over telephones and provided that telephone directory print information regarding such prohibition.

- H.B. 1051 would have amended act providing penalties for failure to relinquish telephone party line in case of emergencies by making it applicable to any telephone line.

Louisiana - H.B. 1099 would have required any telephone company providing service on the basis of a scheduled charge per month or other fixed period to grant a credit or refund with respect to any period of time longer than 24 hours during which service is not available to a subscriber through no fault of the subscriber.

New York - A. 366 would have required telephone companies to install metering devices on each telephone to register outgoing calls and have charges made on the basis of number of local calls.

- A. 3096 would have required that party to be charged for long distance calls be notified when initial basic time period had elapsed.

Virginia - H.B. 406 would have provided that no telephone company have the right to limit or restrict in any manner its liability for negligence for errors or omissions in telephone directories.

Prepared by:

Don Shesser

Charles U. Lamenow

Legislative and Interagency Consultant\*  
Office of the Administrator

\* Inquiries concerning the subject matter of this report should be addressed to this office.



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\* Inquiries concerning the subject matter of this report should be addressed to this office.







UNITED STATES DEPARTMENT OF AGRICULTURE  
Rural Electrification Administration

1963 State Legislation Affecting the REA Programs  
Highlights of State Legislative Developments - January 1963  
First Interim Report - February 8, 1963

General. Legislatures of 43 States have convened in regular session. Four more are scheduled to meet later this year. The remaining three are not scheduled to convene until 1964.

In many States, the early weeks of the session were devoted primarily to organization of the legislature. This report is preliminary and does not purport to be complete. Only bills directly affecting the REA programs and which have been brought to our attention are included. Bills of collateral interest will be covered in future reports.

ELECTRIFICATION

Amendment of Cooperative Enabling Laws

Missouri - H.B. 91\*, amends provisions of the Rural Electric Cooperative Act relating to the powers of a cooperative to authorize wholesale exchange and interchange power arrangements, but prohibiting sale of energy to municipalities in nonrural areas where the requirements are being served exclusively by a regulated utility unless such utility gives its written consent. (Bill also includes provisions reported under "Protection of Cooperative Territory," below.)

New Mexico - S.B. 45\*, amends provision of Rural Electric Cooperative Act relating to election of trustees to provide that election be held in a municipality which is near geographic center of service area; to prescribe hours in which polls shall be open; and to require that trustees be elected by majority vote of members voting.

Texas - S.B. 221\*, amends various provisions of the Electric Cooperative Corporation Act relating to adoption of by-laws; members qualifications; voting and quorums at meetings; membership certificates; nonprofit operation; amendment of articles; and sale of assets. (Bill also includes provisions reported under "Protection of Cooperative Territory," below.)

Protection of Cooperative Territory

Missouri - H.B. 91\*, amends the powers section of the Rural Electric Cooperative Act to eliminate existing provisions which permit the ouster of electric cooperatives from areas annexed to municipalities; to provide for a limited

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Bills marked with asterisk (\*) have been received and are available in the Office of Legislative and Interagency Consultant.



authority to continue and extend cooperative service in such areas; and to prohibit duplication of service in rural areas rendered by any electric service supplier with enforcement by the courts. The bill further provides that municipalities shall have the right to impose reasonable safety requirements and taxes comparable with those collected from other suppliers, and recognizes the municipalities' right of eminent domain. (Bill includes other provisions reported under "Amendment of Cooperative Enabling Laws," above.)

Montana - S.B. 194, provides for continuance of electric service in urban areas and restricting duplication of such service.

Nebraska - L.B. 220\*, provides that suppliers of electricity may enter into agreements respecting the territory which each shall serve at retail; creates a Nebraska Power Review Board within the Department of Water Resources; provides that territory agreements shall be filed with the Board; gives the Board authority to establish boundaries; prohibits service outside of established boundaries except by agreement or with approval of the Board; and requires Board approval, after hearing, unless waived, and determination of public convenience and necessity, before construction of "any electric generation facilities, transmission lines, or related facilities located outside of the corporate limits of a municipality and carrying over seven hundred volts" (with exemption for certain transmission lines not more than one half mile in length).

- L.B. 600\*, enacts a new Utilities District Act designed to unify and centralize control of power in Nebraska; provides for the establishment of the Nebraska Public Power Utilities District which would on and after December 31, 1964, assume control of the properties of districts which operate electrical facilities in, or singly or jointly operate transmission facilities having voltage of 115 KV or more, in more than fifteen counties, and which is authorized to contract for control of any electric cooperative in the State engaged in operating or interested in facilities for generating or transmitting electric energy at 115 KV or more; limits authority of the new District or its members to serve at retail in cities or villages or their zoning areas; obligates distribution districts and cooperatives which purchase 90% or more of their power from public power districts acquired by the new District to purchase all power and energy requirements and transmission service over 69 KV from the new District with certain exceptions where authorized by the Nebraska Power Review Board (to be created by L.B. 220 - see above); prohibits acquisition or construction by distribution districts and cooperatives of generation or transmission (over 69 KV) facilities; provides for the ultimate transfer of distribution facilities and transmission lines of less than 115 KV to distribution districts and cooperatives and to cities and villages; and amends existing laws relative to the organization and operation of power districts.

- L.B. 483\*, creates the Nebraska Public Power and Irrigation District, to which would be transferred, effective January 1, 1964, all assets and liabilities of all existing public power districts and public power and irrigation districts operating in fifteen or more counties; on that date the existing districts would be dissolved.

- L.B. 476\*, to avoid duplication of public power facilities, provides for establishment of five District Service Areas and for the merger and consolidation in each area, of existing generation and transmission districts into one Wholesale Service Area District. The five Wholesale Service Area Districts may interconnect with each other. Any distribution district, cooperative, or municipality operating at retail is permitted to merge its facilities into the Wholesale Service Area District.

South Dakota - H.B. 753\*, amends the Electric Cooperative Law relating to definition of "rural area" to provide that it shall continue to include areas which become or are annexed to cities having a population in excess of 1500 and to permit cooperative to use public lands and thoroughfares therein subject to compliance with lawful safety requirements.

- H.B. 754\*, amends the gross receipts tax law to reflect the revised definition of "rural area."

- S.B. 141\* (see below under "ELECTRIFICATION AND TELEPHONE, Commission Regulation.")

Texas - S.B. 221\*, amends the purpose clause of Electric Cooperative Corporation Act to remove restrictions imposed on cooperative electric service in cities and towns and areas annexed thereto to permit limited extension of service within annexed areas to unserved structures located within 1500 feet of distribution facilities existing at the time the area became non-rural and subjecting cooperatives to the regulating authority of the city or town and to payment of gross receipts taxes in the same manner as other electric suppliers. (Bill includes other provisions reported under "Amendment of Cooperative Enabling Laws," above.)

Utah - S.B. 60\*, prohibits duplication of service by electric suppliers to premises already receiving service or the construction of extensions to unserved premises located within 1,000 feet of a distribution line of another supplier. Electric suppliers are not precluded from extending service to their own property; to unserved premises when their distribution lines are in closer proximity; or to interchange or wheel power and energy pursuant to arrangements with other electric suppliers. Where an area has been annexed or incorporated within any city, town or village electric suppliers furnishing service in such areas shall have the right to continue and extend such service, utilizing public lands and thoroughfares subject to lawful safety requirements. "Electric supplier" is defined to mean any commercial or cooperative organization and municipal or other public agency with respect to operations outside of their municipal or territorial limits. Enforcement of act is placed in the courts. (This bill is substantially REA's "Model Territorial Integrity Act.")

#### Power Supply and Electric Lines

Alaska - S.Res. 4, urges Congress to appropriate funds for construction of Crater-Long Lakes division of Snettisham hydroelectric project and Bradley Lake hydroelectric power project.



Georgia - S.Res. 15, endorses construction of a multiple purpose project at Trotters Shoals site on the Savannah River.

Maine - S.B. 301, creates Maine Power Authority.

- S.B. 129, memorializes Congress to fully develop power potential of Passamaquoldy.

Montana - S.B. 41, relates to Columbia Interstate Compact.

Nebraska - L.B. 481\*, authorizes two or more districts engaged in generation and transmission of energy at wholesale which own facilities jointly, to agree upon division and separation of ownership, subject to approval of Department of Water Resources.

North Dakota - S.B. 343, authorizes state to issue general obligation bonds and use proceeds to make loans to privately or cooperatively owned enterprises for facilities to convert North Dakota natural resources into low cost power.

Washington - S.B. 207\*, and H.B. 43\*, ratifying Columbia Interstate Compact.

Wyoming - S.B. 88, ratifies Columbia Interstate Compact.

#### Electrical Licensing and/or Inspection

Colorado - H.B. 136, provides for state board to establish standards pursuant to national electrical code.

Maine - H.B. 380, revises electrician licensing law.

- H.B. 664, provides for examination fee and increases renewal fee for electricians licenses.

New Hampshire - H.B. 32, relates to employment of an electrical inspector in office of fire marshal.

New Mexico - H.B. 161\*, amends electrical contractor licensing law to provide for the examination and licensing of journeymen electricians.

- H.B. 160, increases membership of electrical administrative board.

North Dakota - H.B. 657, relates to state electrical board and licensing of electricians.

Ohio - S.B. 17, provides for licensing of inspectors of electrical installations.

South Dakota - H.B. 584\*, establishes a State Electrical Board and provides for regulation of electrical installations.

Wyoming - H.B. 58, creates State Electrical Board and provides for licensing of electrical contractors and electricians.

## Atomic Energy - Radiation Regulation

Arizona - S.B. 7\*, creates Arizona Atomic Energy Commission.

New York - A.344 and S.307, create temporary commission to study aspects of radiation as it affects public, etc.

Ohio - H.B. 10, empowers Governor to establish working relationship with Federal government regarding peaceful uses of atomic energy.

## Taxation

Arizona - S.C. Res. 7\*, removes exemption of power and electrical districts.

Nebraska - L.B. 391\*, amends Nebraska Constitution to provide that public power and irrigation districts shall be subject to taxation.

## ELECTRIFICATION AND TELEPHONE

### Cooperative Enabling Legislation

Utah - S.B. 1\*, enacts a new non-profit corporation act.

### Commission Regulation

Indiana - S.B. 313, requires newspaper publication of proposed utility rate increases in affected county.

Iowa - S.F. 11 and H.F. 81, enlarging jurisdiction of State Commerce Commission to include regulation of rates and services of public utilities furnishing gas, electricity or communications service to the public for compensation; exempting from rate regulation municipal utilities, cooperative corporations or associations, and mutual telephone companies in which 50% of the users are owners.

Nebraska - L.B. 82\*, revises and re-enacts law relating to the State Railway Commission and regulation of utilities, including electric and telephone systems.

South Dakota - S.B. 141\*, extends Public Utilities Commission jurisdiction over electric, telephone and other utilities, including commercial, municipal and cooperative electric utilities; includes provisions prohibiting duplication of facilities to provide electric service to premises already being served without written permission of other utility or order of Commission; and requires sale of electric facilities within annexed areas to franchised utility serving the annexing municipality.

West Virginia - H.B. 24, amends provisions relating to changing rates of public utilities by PSC and extends period for suspension of rates to eleven calendar months.

- H.B. 21, provides for appointment of public counselor to represent taxpayers, patrons and public in all proceedings before the PSC.



## Taxation

Iowa - H.F. 138, authorizes cities and towns to levy and collect a franchise tax up to 2% of gross revenues.

Tennessee - S.B. 126 and H.B. 126, makes utility services subject to sales tax

## Utility Relocation Reimbursement

Minnesota - S.F. 259, amends law relating to reimbursement of utilities on interstate highway system for relocation of facilities.

Montana - S.B. 211, relieves state of expense of relocating utility facilities on public lands.

South Dakota - S.B. 167\*, provides for payment by State of costs incurred in relocating utility facilities in connection with interstate and defense highway projects.

Utah - S.B. 108, revises general highway law, including provisions relating to assistance in relocation of utilities.

West Virginia - S.B. 82, relates to relocation of public utility lines and facilities to accommodate federal-aid interstate highway projects.

- H.B. 94, relates to condemnation procedures of State Highway Commission - includes provisions for utility relocation.

## Utility Facilities - Damage or Destruction

Georgia - H.B. 127, makes it unlawful to damage utility properties.

Oklahoma - H.B. 612, makes it a misdemeanor to attach unauthorized objects to utility poles.

## Uniform Commercial Code

This bill which has already been enacted in a number of States affects the form and recordation of security instruments.

Indiana - S.B. 7 (passed Senate 1/29)

Maine - H.B. 79

Maryland - S.B. 77

Minnesota - H.F. 294

Missouri - S.B. 2

Montana - H.B. 282

Nebraska - L.B. 49

Ohio - S.B. 35, to make corrections in previously enacted Code.



Washington - H.B. 129

West Virginia - S.B. 3 and H.B. 3

Wisconsin - S.B. 1

Disposition of Unclaimed Property Act

This bill which has been enacted in a number of States provides for escheat to the State of unclaimed utility deposits and unclaimed corporate interests, including cooperative distributions.

Georgia - H.B. 6

Indiana - H.B. 1380

Montana - H.B. 94

Nebraska - L.B. 8\*

South Carolina - S.B. 21

South Dakota - S.B. 105\*

Utah - S.B. 122\*, amends 1957 enactment of uniform law.

Wisconsin - S.B. 6\*

TELEPHONE

Taxation

Maine - H.B. 694, relates to apportionment of telephone and telegraph tax to municipalities.

North Dakota - H.B. 546, provides for taxation of private or commercial telephone companies engaged in serving rural areas.

- H.Con.Res. B, directs Legislative Research Committee to conduct a study of the equities of telephone taxation.

Telephone Facilities - Damage or Destruction - Penalties

Colorado - S.B. 178

Montana - S.B. 125

Utah - S.B. 73\*

Wyoming - S.B. 112

Telephone Party Lines - Emergency Calls

Missouri - H.B. 213, provides penalties for failure to relinquish party line for emergency calls and requires notice of law to appear in all directories.

Miscellaneous

Indiana - H.B. 1335, requires telephone companies to have not less than two switchboard operators on duty 24 hours a day.

Missouri - H.B. 168, prohibits telephone company from changing subscribers' telephone number without written consent, other than at the time of a general distribution of directories.

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UNITED STATES DEPARTMENT OF AGRICULTURE  
Rural Electrification Administration

1963 State Legislation Affecting the REA Programs  
Highlights of State Legislative Developments  
Second Interim Report - March 15, 1963

General. Legislatures of 45 States have convened in regular session. Two more are scheduled to meet later this year. The remaining three are not scheduled to convene until 1964.

This report is preliminary and does not purport to be complete. It covers legislative developments through February in most states. Bills directly affecting the REA programs which have been brought to our attention are listed, including those contained in the First Interim Report. Status of all bills is shown where known.

ELECTRIFICATION

Amendment of Cooperative Enabling Laws

Missouri - H.B. 91\* (killed in Committee 2/12), would have amended provisions of the Rural Electric Cooperative Act relating to the powers of a cooperative, to authorize wholesale exchange and interchange power arrangements, but prohibiting sale of energy to municipalities in non-rural areas where the requirements are being served exclusively by a regulated utility unless such utility gives its written consent. (Bill also included provisions reported under "Anti-duplication and Territorial Protection," below.)

- H.B. 454, amends provisions of Rural Electric Cooperative Act relating to the powers of a cooperative, to authorize cooperative, by contract or agreement, to sell, exchange, interchange, transmit and dispose of electric energy in any areas, including electric energy generated by it, to, with or for any persons for resale.

New Mexico - S.B. 45\* (killed in Senate), would have amended provision of Rural Electric Cooperative Act relating to election of trustees to provide that election be held in a municipality which is near geographic center of service area; to prescribe hours in which polls shall be open; and to require that trustees be elected by majority vote of members voting.

Oklahoma - H.B. 779\*, amends Rural Electric Cooperative Act by eliminating requirement of membership authorization for acquisition of cooperative property by the United States or certain other public bodies for public purposes.

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Bills marked with asterisk (\*) have been received and are available in the Office of Legislative and Interagency Consultant. Recipients of this report are requested to furnish copies of bills not so marked, if available, and to report later status of all bills where known.





South Carolina - S.B. 141 (see below under "Anti-duplication and Territorial Protection").

South Dakota - H.B. 753\* (see below under "Anti-duplication and Territorial Protection").

Texas - S.B. 221\*, amends various provisions of the Electric Cooperative Corporation Act relating to adoption of by-laws; members qualifications; voting and quorums at meetings; membership certificates; nonprofit operations; amendment of articles; and sale of assets. (Bill also includes provisions reported under "Anti-duplication and Territorial Protection," below.)

#### Anti-duplication and Territorial Protection

Idaho - S.B. 297\* (passed House and Senate), amends the 1957 anti-duplication law by (1) making it applicable to municipal and quasi-municipal corporations, and (2) adding provisions authorizing public utilities and cooperatives to continue and extend electric service in areas incorporated into or annexed to a municipality, and to utilize public areas therefore subject to safety requirements, and further subject to the right of the municipal utility to extend service to the incorporated or annexed area in which case just compensation shall be paid by the municipality; in the case of a cooperative, determined by voluntary agreement, or, in the absence thereof, by the district court after a majority of the voters in the municipality and of the members of the cooperative have approved the transaction, and (3) prohibiting any cooperative or public utility presently having transmission lines within the corporate limits of a municipality engaged in furnishing electric energy to its citizens from making service extensions from such transmission lines within the municipal limits.

- H.B. 315\* (passed House, and superseded by S.B. 297\*), would have amended the 1957 anti-duplication law by adding (1) a definition of "public utility" so as to cover all suppliers of electric energy, including municipalities, whether or not regulated by the Public Utilities Commission, and (2) provision for continuation of electric service in areas incorporated into or annexed to municipalities.

Iowa - H.F. 302\* (see below under "ELECTRIFICATION AND TELEPHONE, Commission Regulation").

Missouri - H.B. 91\* (killed in Committee 2/12), would have amended the powers section of the Rural Electric Cooperative Act to eliminate existing provisions which permit the ouster of electric cooperatives from areas annexed to municipalities; provided for a limited authority to continue and extend cooperative service in such areas; and prohibited duplication of service in rural areas rendered by any electric service supplier with enforcement by the courts. The bill further provided that municipalities shall have the right to impose reasonable safety requirements and taxes comparable with those collected from other suppliers, and recognized the municipalities' right of eminent domain. (Bill included other provisions reported under "Amendment of Cooperative Enabling Laws," above.)



Montana - S.B. 194\* (passed Senate 2/11 - 38 to 17; killed in House 2/22 - 39 to 53), would have provided for continuance and extension of electric service in annexed areas and restricted duplication of service. [Substantially same as model "Territorial Integrity Act."]

Nebraska - L.B. 220\*, provides that suppliers of electricity may enter into agreements respecting the territory which each shall serve at retail; creates a Nebraska Power Review Board within the Department of Water Resources; provides that territory agreements shall be filed with the Board; gives the Board authority to establish boundaries; prohibits service outside of established boundaries except by agreement or with approval of the Board; and requires Board approval, after hearing, unless waived, and determination of public convenience and necessity, before construction of "any electric generation facilities, transmission lines, or related facilities located outside of the corporate limits of a municipality and carrying over seven hundred volts" (with exemption for certain transmission lines not more than one half mile in length).

- L.B. 600\*, enacts a new Utilities District Act designed to unify and centralize control of power in Nebraska; provides for the establishment of the Nebraska Public Power Utilities District which would on and after December 31, 1964, assume control of the properties of districts which operate electrical facilities in, or singly or jointly operate transmission facilities having voltage of 115 KV or more, in more than fifteen counties, and which is authorized to contract for control of any electric cooperative in the State engaged in operating or interested in facilities for generating or transmitting electric energy at 115 KV or more; limits authority of the new District or its members to serve at retail in cities or villages or their zoning areas; obligates distribution districts and cooperatives which purchase 90% or more of their power from public power districts acquired by the new District to purchase all power and energy requirements and transmission service over 69 KV from the new District with certain exceptions where authorized by the Nebraska Power Review Board (to be created by L.B. 220 - see above); prohibits acquisition or construction by distribution districts and cooperatives of generation or transmission (over 69 KV) facilities; provides for the ultimate transfer of distribution facilities and transmission lines of less than 115 KV to distribution districts and cooperatives and to cities and villages; and amends existing laws relative to the organization and operation of power districts.

- L.B. 483\*, creates the Nebraska Public Power and Irrigation District, to which would be transferred, effective January 1, 1964, all assets and liabilities of all existing public power districts and public power and irrigation districts operating in fifteen or more counties; on that date the existing districts would be dissolved.

- L.B. 476\*, to avoid duplication of public power facilities, provides for establishment of five District Service Areas and for the merger and consolidation in each area, of existing generation and transmission districts into one Wholesale Service Area District. The five Wholesale Service Area Districts may interconnect with each other. Any distribution district, cooperative, or municipality operating at retail is permitted to merge its facilities into the Wholesale Service Area District.

Nevada - S.B. 61 (see below under "Commission Regulation").







North Carolina - S.B. 116 and H.B. 203 (see below under "ELECTRIFICATION AND TELEPHONE, Commission Regulation").

Oregon - H.J.Res. 11 (see below under "Commission Regulation"), and H.B. 1342\* and H.B. 1605\* (see below under "ELECTRIFICATION AND TELEPHONE, Commission Regulation").

South Carolina - S.B. 141, amends Rural Electric Cooperative Act to provide that the right of rural electric cooperatives to continue service in areas served by them shall not be affected by subsequent incorporation, annexation or population growth, and includes provisions authorizing purchase of facilities by the town or city in certain cases.

- S.B. 142, prohibits duplication of service and facilities by suppliers of electricity, and defines conditions under which a supplier of electric service may extend its services and facilities.

South Dakota - H.B. 753\* (passed House and Senate with amendments opposed by the cooperatives; in Governor's hands), amends the Electric Cooperative Law relating to the definition of "rural area" to provide that it shall continue to include areas which become as a result of incorporation, population growth or otherwise a city or town having a population in excess of 1500; and provides where a city or town extends its boundaries by annexation the utility providing service in the city or town shall have the right to acquire the electric property and facilities within the annexed area upon payment of fair and reasonable value for such property plus severance damages, the amount to be fixed by negotiation or by action of a board of arbitration, and permits acquisition of such property by eminent domain if purchase is not completed within 60 days from time of annexation.

- H.B. 754\* (passed House), amends the gross receipts tax law to reflect the revised definition of "rural area."

- H.B. 877 (failed), would have provided for holding municipal election to determine whether public, private or cooperative utility may supply electric, gas or water services to the municipality without first being granted a franchise.

- S.B. 141\* (failed, see below under "ELECTRIFICATION AND TELEPHONE, Commission Regulation").

Texas - S.B. 221\*, amends the purpose clause of Electric Cooperative Corporation Act to remove restrictions imposed on cooperative electric service in cities and towns and areas annexed thereto to permit limited extension of service within annexed areas to unserved structures located within 1500 feet of distribution facilities existing at the time the area became non-rural and subjecting cooperatives to the regulatory authority of the city or town and to payment of gross receipts taxes in the same manner as other electric suppliers. (Bill includes other provisions reported under "Amendment of Cooperative Enabling Laws," above.)

Utah - S.B. 60\* (killed in Senate 3/1, after being adversely amended), as introduced substantially in the form of the model "Territorial Integrity Act," would have prohibited duplication of service by electric suppliers to premises



already receiving service or the construction of extensions to unserved premises located within 1,000 feet of a distribution line of another supplier, and provided for continuance and extension of service in annexed areas. On February 20, the Senate voted to amend S.B. 60 by deleting above provisions, substituting provisions submitted by the cooperatives amending public utility law to make cooperative associations subject to jurisdiction of Public Service Commission, and prohibiting duplication of electric service, and requiring the issuances of certificates of conveniences and necessity covering territory served ("grandfather's clause"). The bill was tabled on February 25, after being further amended in the Senate to strike out provisions prohibiting duplication of service and requiring the issuance of "grandfather clause" certificates, and to insert language requiring Public Service Commission, in connection with the issuance of certificates of convenience and necessity, to review financing plans for electrical corporations, including consideration of debt-equity ratio, and give weight to the relative sales and income taxes which would be paid by the applicant.

Vermont - S.30\*, amends §3 of the 1957 anti-duplication law (30 V.S.A. §2808) to modify the prohibition against service by another public utility to persons or property already served "unless its existing service facilities are nearer the metering point on the premises to be served than the service line of any other public utility."

#### Commission Regulation

Minnesota - S.F. 859, provides for regulation of electric service by the Railroad and Warehouse Commission.

Nevada - S.B. 61, a bill providing for annual assessment on gross revenues from intrastate operations of all public utilities, is reported to be in the process of amendment to subject electric cooperatives serving members only to jurisdiction of Public Service Commission with respect to territory only (certificates of convenience and necessity with "grandfather clause" to cover territory being served); and to subject electric cooperatives serving non-members to complete Commission regulation.

- A.B. 133 (passed Assembly 2/13; passed Senate 2/27), amends Mineral County Power System Act to subject service and extensions to Commission regulation.

Ohio - S.B. 195\* and H.B. 543, substitutes "fair value" for "reproduction cost new" as base for utility rates.

Oregon - H.J.Res. 11\*, creates a Joint Interim Electric Power Study Committee to study rate actions of the Public Utilities Commissioner, whether areas are better served by giving a monopoly to one utility in a territory, and certain other aspects of the electric utility industry.

Vermont - S.31\*, amends Public Service Board law by adding new section authorizing Board to require electric public utilities to secure certificate of public convenience and necessity for construction which "will materially affect the public interest and involve outlays in excess of \$50,000.00."





## Power Supply and Electric Lines

Alaska - S.Res. 4, urges Congress to appropriate funds for construction of Crater-Long Lakes division of Snettisham hydroelectric project and Bradley Lake hydroelectric power project.

- S.B. 123, creates Rampart Dam Development Committee, and establishes its powers and duties.

Arkansas - S.Res. 8, and H.Res. 26 (adopted 2/27), encourage commercial power companies and electric cooperatives to produce and make available the maximum amount of electric energy whenever and wherever possible.

Georgia - S.Res. 15, endorses construction of a multiple purpose project at Trotters Shoals site on the Savannah River.

Idaho - S.B. 265\* (passed Senate 3/9), ratifies Columbia Interstate Compact.

Iowa - H.F. 361\* and S.F. 254, amend Chapter 489, Code of Iowa to clarify the authority of the boards of supervisors and the state commerce commission to authorize eminent domain for electric transmission lines.

Maine - S.B. 301, creates Maine Power Authority.

- S.B. 129, memorializes Congress to fully develop power potential of Passamaquoddy.

Missouri - H.B. 473, regulates construction and reconstruction of electric power lines and authorizes Public Service Commission to adopt rules and regulations for administration of act.

Montana - S.B. 41 (approved 2/7), relates to Columbia Interstate Compact.

Nebraska - L.B. 481\*, authorizes two or more districts engaged in generation and transmission of energy at wholesale which own facilities jointly, to agree upon division and separation of ownership, subject to approval of Department of Water Resources.

- L.Res. 13\*, resolves that easements for rural electric lines over public lands be granted for nominal or minimum consideration.

North Dakota - S.B. 343 (passed Senate 2/22), authorizes state to issue general obligation bonds and use proceeds to make loans to privately or cooperatively-owned enterprises for facilities to convert North Dakota natural resources into low cost power.

Oregon - S.B. 209\*, ratifies Columbia Interstate Compact.

- H.J.Mem. 5\*, memorializes Congress to appropriate funds for construction of a Federal power transmission line connecting the Northwest and Southwest.

- H.B. 1633\*, creates Oregon Power Development Commission, with authority to acquire and dispose of electric energy, with preference to public bodies and cooperatives.

Utah - S.B. 214\*, ratifies Columbia Interstate Compact.



Washington - S.B. 207\*, and H.B. 43\*, ratify Columbia Interstate Compact.  
- S.B. 602\*, repeals public posting requirement in connection with requests for placement of transmission lines.

Wyoming - S.B. 88 (approved by Governor, Chapter 110), ratifies Columbia Interstate Compact.

### Electrical Licensing and/or Inspection

Alaska - H.B. 91, prohibits bidding on electrical contract by person not licensed by electrical board.

Arkansas - H.B. 330 (approved 3/4, Act 148), prescribes safety precautions with respect to high voltage lines.  
- H.B. 385, creates State Board of Electricity and provides for licensing of electricians and inspection of electrical installations.

Colorado - H.B. 136\*, amends electrical licensing law by establishing July 1962 National Electrical Code (Pub. #70) as minimum standard, and adding provisions for inspection.  
- H.B. 245\*, amends §115-4-6, Col. Rev. Stats., to adopt Sixth in place of Fifth edition of National Electrical Safety Code, and to delete special provisions for clearance of lines where voltage does not exceed 20,000 volts.

Maine - H.B. 380, revises electrician licensing law.  
- H.B. 664, provides for examination fee and increases renewal fee for electricians licenses.

Michigan - H.B. 161 and H.B. 162, amend Electrical Administrative Act.

Minnesota - S.F. 569, extends to 1965 provisions for licensing temporary Class C electricians.

New Hampshire - H.B. 32 (withdrawn 2/12), related to employment of an electrical inspector in office of fire marshal.

New Mexico - H.B. 161\* (passed House 2/8; killed in Senate), would have amended electrical contractor licensing law to provide for the examination and licensing of journeymen electricians.  
- H.B. 160\* (passed House and Senate), increases membership of electrical administrative board.

North Dakota - H.B. 657 (passed House with amendment 2/19), relates to state electrical board and licensing of electricians.

Ohio - S.B. 17\*, provides for licensing of inspectors of electrical installations.

Oregon - H.B. 1402\* and H.B. 1429\*, amend Electrical Safety Law with respect to licenses issued thereunder.





South Dakota - H.B. 584\* (passed House and Senate), establishes a State Electrical Board and provides for regulation of electrical installations.

- H.B. 822 (passed House and Senate), repeals law (31.04B) dealing with electrical standards and financial responsibility of contractors.

Washington - S.B. 370\* and H.B. 594\*, create an electrical advisory board and amend law regulating electricians and electrical installations.

- S.B. 454\*, repeals electrical construction code.

Wyoming - H.B. 58 (approved by Governor, Chap. 75), creates State Electrical Board and provides for licensing of electrical contractors and electricians.

#### Atomic Energy - Radiation Regulation

Arizona - S.B. 7\*, creates Arizona Atomic Energy Commission.

Delaware - H.B. 88, enacts the Southern Interstate Nuclear Compact.

Kansas - S.B. 317\*, enacts the nuclear energy development and radiation control act.

New York - A.344 and S.307, create temporary commission to study aspects of radiation as it affects public, etc.

North Carolina - S.B. 120\* and H.B. 225, enact the Southern Interstate Nuclear Compact.

Ohio - H.B. 10\*, empowers Governor to establish working relationship with Federal government regarding peaceful uses of atomic energy.

Washington - H.B. 561\*, relates to study of utilization of reactors at the Hanford atomic energy works for steam generation of electricity.

Wisconsin - S.B. 217, relates to nuclear facilities liability.

#### Taxation -

Arizona - S.C. Res. 7\*, H.C.Res. 8 and H.C.Res. 17, amend provisions of Arizona Constitution dealing with tax exemption of power districts.

- H.B. 133\*, amends §42-271, Ariz. Rev. Stat., to restrict tax exemption of property of irrigation, power, electrical, agricultural improvement, drainage and flood control, and public improvement districts to a portion thereof as determined by the amount of electric energy sold or consumed for irrigation pumping within the boundaries of the district.

- H.R. 5\*, creates Power District Study Committee of the House of Representatives, to study status of power districts, including their tax exemption.



Idaho - H.B. 338\*, repeals §§63-105J and 63-106, Idaho Code, to delete tax exemption for property used for generating and delivering electrical energy for irrigation or drainage purposes.

Iowa - H.F. 300\*, provides for taxation of electric transmission lines owned or operated by cooperative corporations or associations.

Nebraska - L.B. 391\*, amends Nebraska Constitution to provide that public power and irrigation districts shall be subject to taxation.

Ohio - H.B. 557, makes municipally-owned utilities subject to real and personal property taxes.

- H.B. 558, makes municipally-owned utilities subject to utility excise taxation.

Oregon - S.B. 175\* (passed Senate 2/27), exempts people's utility districts from corporation excise tax.

South Dakota - H.B. 754\* (passed House), amends the electric cooperative gross receipts tax law to reflect the revised definition of "rural area." (See above, Anti-duplication and Territorial Protection.)

## ELECTRIFICATION AND TELEPHONE

### Cooperative Enabling Legislation

Utah - S.B. 1\* (passed Senate and House), enacts a new non-profit corporation act.

Washington - H.B. 485\*, enacts a new nonprofit corporation act.

### Amendment of Cooperative Enabling Laws

Iowa - S.F. 349, amends Cooperative Association Act to permit amendment of articles or by-laws by members present at annual or special meeting.

Minnesota - S.F. 366 and H.F. 371, amend provisions of Cooperative Associations Act relating to election of directors.

- S.F. 395 and H.F. 377, amend provisions of Cooperative Associations Act specifying filing procedures in dissolution of cooperatives.

Oregon - S.B. 132\*, amends sections of Cooperative Corporation Act dealing with issuance of shares, setting a minimum for patronage transactions, merger and consolidation.

### Comission Regulation

Alaska - E.B. 158, gives Public Service Commission certificate authority.

- H.B. 159, re-creates Public Service Commission, defines authority and duties.



Arizona - S.B. 222\*, amends §40-281, Ariz. Rev. Stat., dealing with certificates of public convenience and necessity by requiring payment of \$50 filing fee.

- H.C.Res. 9\*, amends Art. 51, §14 Ariz. Const., by prescribing use by Corporation Commission of fair value rather than replacement value in determining rates of a public service corporation.

Indiana - S.B. 313\* (approved by Governor), requires newspaper publication of proposed utility rate increases in affected county.

Iowa - S.F. 11\* (passed Senate amended 2/7) and H.F. 81, enlarge jurisdiction of State Commerce Commission to include regulation of rates and services of public utilities furnishing gas, electricity or communications service to the public for compensation; exempt from rate regulation municipal utilities, cooperative corporations or associations, and mutual telephone companies in which 50% of the users are owners.

- H.F. 302\*, extends authority of State Commerce Commission to regulate rates and services of public utilities providing electric, gas, water and telephone service to the public for compensation; exempts from rate regulation municipal utilities, cooperative corporations or associations, and mutual telephone companies where at least 50% of the users are owners; includes provisions regarding utility services in areas annexed to cities and towns to require that in cases where municipal utility service is available it shall serve annexed area after payment for property of utility formerly providing service, and where annexed area is served by utility not having franchise, utility shall be permitted to continue service in such area for ten years provided it agrees to abide by terms of franchise of other utility, and authorizes purchase of property by franchised utility after finding by commission.

Michigan - S.B. 1359, amends public utility act relating to power and jurisdiction of the Public Service Commission respecting regulation of utilities, rates, and services.

Nebraska - L.B. 82\*, revises and re-enacts law relating to the State Railway Commission and regulation of utilities, including electric and telephone systems

North Carolina - S.B. 116 and H.B. 203, rewrite Public Utilities Act, as recommended by the General Statutes Commission; exclude electric or telephone membership corporations from definition of "public utility" but makes requirement of certificate of convenience and necessity applicable thereto; authorize the Commission to fix the "present service area" of all electric and telephone systems and prohibit service outside such areas except upon finding of public convenience and necessity; provide that "investor-owned" electric or telephone companies shall have the right to purchase for "fair value" all of the franchise and assets of electric or telephone membership corporations upon application to and approval by the Commission, subject to a prior right of purchase by a public utility newly organized by a majority of the members of a seller membership corporation.

Oregon - H.B. 1342\*, amends 1961 law giving Public Utility Commissioner jurisdiction over territorial allocations by excluding areas annexed after allocation from definition of "allocated territory" if city by its charter authority grants franchises to more than one utility; by excluding federal agencies in definition of "utility service."



- H.B. 1605\*, repeals the 1961 territorial allocation law and vacates any order of the Public Utility Commissioner allocating territory.

South Dakota - S.B. 141\* (failed), would have extended Public Utilities Commission jurisdiction over electric, telephone and other utilities, including commercial, municipal and cooperative electric utilities; included provisions prohibiting duplication of facilities to provide electric service to premises already being served without written permission of other utility or order of Commission; and required sale of electric facilities within annexed areas to franchised utility serving the annexing municipality.

West Virginia - H.B. 24, amends provisions relating to changing rates of public utilities by PSC and extends period for suspension of rates to eleven calendar months.

- H.B. 21, provides for appointment of public counselor to represent taxpayers, patrons and public in all proceedings before the PSC.

### Taxation

Arizona - S.B. 260\* and H.B. 271, provide for assessment of utility properties by State Tax Commission, and direct assessment of electric utility property (except land, buildings, office furniture and fixtures) at 35% of undepreciated cost; telephone properties at 50% of full cash value.

Iowa - H.F. 138\* authorizes cities and towns to levy and collect a franchise tax up to 2% of gross revenues.

- H.F. 301\*, imposes an excise tax of 1/3 of one percent on the gross revenues of cooperative corporations or associations, municipal corporations or federal corporations acting in a proprietary capacity.

Montana - H.J.Res. 21 (passed House 2/19; passed Senate), directs Board of Equalization to report to next session on status of reclassification and re-appraisal program, and property tax equalization. [Passage followed defeat in Senate of four House-initiated bills dealing with classification and assessment of property for tax purposes.]

Tennessee - S.B. 126, approved by Governor 2/26 (H.B. 126), makes utility services subject to sales tax.

- H.B. 752, exempts companies furnishing electric power from gross receipts tax in certain cases.

- H.B. 753, exempts certain electric distributors from excise tax.

- H.B. 755, exempts certain electric distributors from franchise tax.

### Utility Relocation Reimbursement

Minnesota - S.F. 259, amends law relating to reimbursement of utilities on interstate highway system for relocation of facilities.

Montana - S.B. 211 (killed in Senate 2/12), relieves state of expense of re-locating utility facilities on public lands.

Nevada - S.B. 134, provides for reimbursement by State of costs incurred in re-locating utility facilities on order of State Highway Engineer.

South Dakota - S.B. 167\* (failed), would have provided for payment by State of costs incurred in relocating utility facilities in connection with interstate and defense highway projects.

Utah - S.B. 108, revises general highway law, including provisions relating to assistance in relocation of utilities.

West Virginia - S.B. 82, relates to relocation of public utility lines and facilities to accommodate federal-aid interstate highway projects.

- H.B. 94, relates to condemnation procedures of State Highway Commission - includes provisions for utility relocation.

#### Utility Facilities - Damage or Destruction

Georgia - H.B. 127, makes it unlawful to damage utility properties.

Oklahoma - H.B. 612, makes it a misdemeanor to attach unauthorized objects to utility poles.

Wyoming - S.B. 64, approved by Governor, Chap. 24, provides penalties for placing posters or signs on utility poles or wires.

#### Uniform Commercial Code

This bill which has already been enacted in a number of States affects the form and recordation of security instruments.

Alaska - S.B. 66 (passed Senate 2/24),, amends previously enacted Code.

Arkansas - H.B. 425, repeals the Code.

Idaho - S.B. 115, establishes a legislative committee to study desirability of enacting the Code.

Indiana - S.B. 7 (passed Senate and House)

Kansas - S.C.Res. 19, directs study of effect of enactment with report to 1965 legislature.

Maine - H.B. 79

Maryland - S.B. 77

Minnesota - H.F. 294 and H.F. 868

Missouri - S.B. 2

Montana - H.B. 282 (passed House 2/14; passed Senate 3/2).

Nebraska - L.B. 49

Ohio - S.B. 35 (passed Senate 3/4), makes corrections in previously enacted Code.

Oregon - S.B. 196, amends previously enacted Code.

Washington - H.B. 129

West Virginia - S.B. 3 and H.B. 3

Wisconsin - S.B. 1

#### Disposition of Unclaimed Property Act

This bill which has been enacted in a number of States provides for escheat to the State of unclaimed utility deposits and unclaimed corporate interests, including cooperative distributions.

Georgia - H.B. 6

Indiana - H.B. 1380 (failed)

Kansas - H.B. 162\*

Montana - H.B. 94 (passed House, 2/14; passed Senate 2/28).

Nebraska - H.B. 8\*

New Mexico - S.B. 282\* (passed Senate 3/2; passed House 3/8), amends unclaimed property law.

South Carolina - S.B. 21

South Dakota - S.B. 105\* (failed)

Utah - S.B. 122\*, amends 1957 enactment of uniform law.

Washington - H.B. 546, amends 1955 enactment of uniform law.

Wisconsin - S.B. 6\*

#### Miscellaneous

Oregon - H.B. 1427\*, amends provisions limiting width of right-of-way which may be condemned for electric and telephone lines.

#### TELEPHONE

##### Amendment of Cooperative Enabling Laws

Oklahoma - H.B. 778\*, amends Rural Telephone Cooperative Act by eliminating requirement of membership authorization for acquisition of cooperative property by United States or certain other public bodies for public purposes.



## Taxation

Iowa - H.F. 262, provides that drop and service lines be included in computing number of miles of telephone line for determination of value of telephone property for tax purposes.

- H.F. 534, provides for taxation of real estate of telephone and telegraph companies at place where located.

Maine - H.B. 694, relates to apportionment of telephone and telegraph tax to municipalities.

North Dakota - H.B. 546 (passed House 2/15; passed Senate 3/4), provides for taxation of private or commercial telephone companies engaged in serving rural areas.

- H.Con.Res. B, directs Legislative Research Committee to conduct a study of the equities of telephone taxation.

## Telephone Facilities - Damage or Destruction - Penalties

Colorado - S.B. 178\*

Idaho - H.B. 210\* (approved 3/8, Chap. 74).

Montana - S.B. 125 (approved 3/6)

Pennsylvania - H.B. 295, prohibits posting of signs on telephone poles.

Utah - S.B. 73\* (passed Senate)

Wyoming - S.B. 112 (died in House)

## Telephone Party Lines - Emergency Calls

Kansas - S.B. 348, provides penalties for failure to yield party lines for emergency calls and requires notice of law to appear in telephone directories.

Missouri - H.B. 213 and H.B. 249, provide penalties for failure to relinquish party line for emergency calls and require notice of law to appear in all directories.

New Mexico - S.B. 318\* (passed Senate 3/1; passed House 3/9), provides penalties for failure to relinquish party line for emergency calls.

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UNITED STATES DEPARTMENT OF AGRICULTURE  
Rural Electrification Administration

1963 State Legislation Affecting the REA Programs  
Highlights of State Legislative Developments  
Third Interim Report - April 25, 1963

General. Legislatures of 46 States have convened in regular session. One more, Alabama, is scheduled to convene on May 7. The remaining three are not scheduled to convene until 1964. Nineteen regular sessions have adjourned, viz -

Alaska	Georgia	Maryland	North Dakota	Washington
Arizona	Idaho	Montana	South Dakota	West Virginia
Arkansas	Indiana	New Mexico	Tennessee	Wyoming
Colorado	Kansas	New York	Utah	

This report is preliminary and does not purport to be complete. It covers legislative developments through April 15 in most states. Bills directly affecting the REA programs which have been brought to our attention are listed, including those contained in previous interim reports. Status of all bills is shown where known.

ELECTRIFICATION

Amendment of Cooperative Enabling Laws

Enacted<sup>#</sup>

South Dakota - H.B. 753\* (see below under "Anti-duplication and Territorial Protection").

Failed

Missouri - H.B. 91\* (killed in Committee 2/12), would have amended provisions of the Rural Electric Cooperative Act relating to the powers of a cooperative, to authorize wholesale exchange and interchange power arrangements, but prohibiting sale of energy to municipalities in non-rural areas where the requirements are being served exclusively by a regulated utility unless such utility gives its written consent. (Bill also included provisions reported under "Anti-duplication and Territorial Protection," below.

New Mexico - S.B. 45\* (killed in Senate), would have amended provision of Rural Electric Cooperative Act relating to election of trustees to provide that election be held in a municipality which is near geographic center of service area; to prescribe hours in which polls shall be open; and to require that trustees be elected by majority vote of members voting.

<sup>#</sup>Throughout this report bills which have passed both Houses but as to which action by the Governor has not been determined are listed under the heading "Enacted."

\*Bills which have been received and are available in the Office of Legislative and Interagency Consultant. Recipients of this report are requested to furnish copies of bills not so marked, if available, and to report later status of all bills where known.

Pending

California - A.B. 1869\*, amends Public Utility Code, to permit a Public Utility District to borrow from the United States without prior approval of the voters in the District.

Missouri - H.B. 454, amends provisions of Rural Electric Cooperative Act relating to the powers of a cooperative, to authorize cooperative, by contract or agreement, to sell, exchange, interchange, transmit and dispose of electric energy in any areas, including electric energy generated by it, to, with or for any persons for resale.

North Carolina - H.B. 426\* (see below under "Anti-duplication and Territorial Protection").

Oklahoma - H.B. 779\*, amends Rural Electric Cooperative Act by eliminating requirement of membership authorization for acquisition of cooperative property by the United States or certain other public bodies for public purposes.

Pennsylvania - H.B. 746\* (see below under "Anti-duplication and Territorial Protection"; also under "Taxation").

South Carolina - S.B. 141 (see below under "Anti-duplication and Territorial Protection").

Texas - S.B. 221\*, amends various provisions of the Electric Cooperative Corporation Act relating to adoption of bylaws; members qualifications; voting and quorums at meetings; membership certificates; nonprofit operations; amendment of articles; and sale of assets. (Bill also includes provisions reported under "Anti-duplication and Territorial Protection," below.)

Anti-duplication and Territorial Protection

Enacted

Idaho - S.B. 297\* (passed House and Senate), amends the 1957 anti-duplication law by (1) making it applicable to municipal and quasi-municipal corporations, and (2) adding provisions authorizing public utilities and cooperatives to continue and extend electric service in areas incorporated into or annexed to a municipality, and to utilize public areas therefore subject to safety requirements, and further subject to the right of the municipal utility to extend service to the incorporated or annexed area in which case just compensation shall be paid by the municipality; in the case of a cooperative, determined by voluntary agreement, or, in the absence thereof, by the district court after a majority of the voters in the municipality and of the members of the cooperative have approved the transaction, and (3) prohibiting any cooperative or public utility presently having transmission lines within the corporate limits of a municipality engaged in furnishing electric energy to its citizens from making service extensions from such transmission lines within the municipal limits.



Iowa - S.F. 11\* (see below under "ELECTRIFICATION AND TELEPHONE, Commission Regulation").

Oklahoma - H.Con.Res. 525\*, commends public service corporations and rural electric cooperatives for contribution to Oklahoma economy and for complying with existing legislation dealing with service and their relationship with each other.

South Dakota - H.B. 753\* (passed with amendments opposed by the cooperatives) amends the Electric Cooperative Law relating to the definition of "rural area" to provide that it shall continue to include areas which become as a result of incorporation, population growth or otherwise a city or town having a population in excess of 1500; and provides where a city or town extends its boundaries by annexation the utility providing service in the city or town shall have the right to acquire the electric property and facilities within the annexed area upon payment of fair and reasonable value for such property plus severance damages, the amount to be fixed by negotiation or by action of a board of arbitration, and permits acquisition of such property by eminent domain if purchase is not completed within 60 days from time of annexation.

#### Failed

Idaho - H.B. 315\* (passed House, and superseded by S.B. 297\*, see above, Enacted), would have amended the 1957 anti-duplication law by adding (1) a definition of "public utility" so as to cover all suppliers of electric energy, including municipalities, whether or not regulated by the Public Utilities Commission, and (2) provision for continuation of electric service in areas incorporated into or annexed to municipalities.

Iowa - H.F. 302\* (see below under "ELECTRIFICATION AND TELEPHONE, Commission Regulation").

Missouri - H.B. 91\* (killed in Committee 2/12), would have amended the powers section of the Rural Electric Cooperative Act to eliminate existing provisions which permit the ouster of electric cooperatives from areas annexed to municipalities; provided for a limited authority to continue and extend cooperative service in such areas; and prohibited duplication of service in rural areas rendered by any electric service supplier with enforcement by the courts. The bill further provided that municipalities shall have the right to impose reasonable safety requirements and taxes comparable with those collected from other suppliers, and recognized the municipalities' right of eminent domain. (Bill included other provisions reported under "Amendment of Cooperative Enabling Laws," above)

Montana - S.B. 194\* (passed Senate 2/11 - 38 to 17; killed in House 2/22 - 39 to 53), would have provided for continuance and extension of electric service in annexed areas and restricted duplication of service. [Substantially same as model "Territorial Integrity Act."]

Oregon - H.J.Res. 11\* (see below under "Commission Regulation"), and H.B. 1342\* and H.B. 1605\* (see below under "ELECTRIFICATION AND TELEPHONE, Commission Regulation").

South Dakota - H.B. 754\*, would have amended the gross receipts tax law to reflect the revised definition of "rural area" in H.B. 753 as introduced.

- H.B. 877, would have provided for holding municipal elections to determine whether public, private or cooperative utility may supply electric, gas or water services to the municipality without first being granted a franchise.

- S.B. 141\* (see below under "ELECTRIFICATION AND TELEPHONE, Commission Regulation").

Utah - S.B. 60\* (killed in Senate 3/1, after being adversely amended), as introduced substantially in the form of the model "Territorial Integrity Act," would have prohibited duplication of service by electric suppliers to premises already receiving service or the construction of extensions to unserved premises located within 1,000 feet of a distribution line of another supplier, and provided for continuance and extension of service in annexed areas. On February 20, the Senate voted to amend S.B. 60 by deleting above provisions, substituting provisions submitted by the cooperatives amending public utility law to make cooperative associations subject to jurisdiction of Public Service Commission, and prohibiting duplication of electric service, and requiring the issuances of certificates of convenience and necessity covering territory served ("grandfather's clause"). The bill was tabled on February 25, after being further amended in the Senate to strike out provisions prohibiting duplication of service and requiring the issuance of "grandfather clause" certificates, and to insert language requiring Public Service Commission, in connection with the issuance of certificates of convenience and necessity, to review financing plans for electrical corporations, including consideration of debt-equity ratio, and give weight to the relative sales and income taxes which would be paid by the applicant.

#### Pending

Alaska - H.B. 158\* (see below under "ELECTRIFICATION AND TELEPHONE, Commission Regulation").

Nebraska - L.B. 220\*, provides that suppliers of electricity may enter into agreements respecting the territory which each shall serve at retail; create a Nebraska Power Review Board within the Department of Water Resources; provides that territory agreements shall be filed with the Board; gives the Board authority to establish boundaries; prohibits service outside of established boundaries except by agreement or with approval of the Board; and requires Board approval, after hearing, unless waived, and determination of public convenience and necessity, before construction of "any electric generation facilities, transmission lines, or related facilities located outside of the corporate limits of a municipality and carrying over seven hundred volts" (with exemption for certain transmission lines not more than half mile in length).



- L.B. 600\*, enacts a new Utilities District Act designed to unify and centralize control of power in Nebraska; provides for the establishment of the Nebraska Public Power Utilities District which would on and after December 31, 1964, assume control of the properties of districts which operate electrical facilities in, or singly or jointly operate transmission facilities having voltage of 115 KV or more, in more than fifteen counties, and which is authorized to contract for control of any electric cooperative in the State engaged in operating or interested in facilities for generating or transmitting electric energy at 115 KV or more; limits authority of the new District or its members to serve at retail in cities or villages or their zoning areas; obligates distribution districts and cooperatives which purchase 90% or more of their power from public power districts acquired by the new District to purchase all power and energy requirements and transmission service over 69 KV from the new District with certain exceptions where authorized by the Nebraska Power Review Board (to be created by L.B. 220 - see above); prohibits acquisition or construction by distribution districts and cooperatives of generation or transmission (over 69 KV) facilities; provides for the ultimate transfer of distribution facilities and transmission lines of less than 115 KV to distribution districts and cooperatives and to cities and villages; and amends existing laws relative to the organization and operation of power districts.

- L.B. 483\*, creates the Nebraska Public Power and Irrigation District, to which would be transferred, effective January 1, 1964, all assets and liabilities of all existing public power districts and public power and irrigation districts operating in fifteen or more counties; on that date the existing districts would be dissolved.

- L.B. 476\*, to avoid duplication of public power facilities, provides for establishment of five District Service Areas and for the merger and consolidation in each area, of existing generation and transmission districts into one Wholesale Service Area District. The five Wholesale Service Area Districts may interconnect with each other. Any distribution district, cooperative, or municipality operating at retail is permitted to merge its facilities into the Wholesale Service Area District.

Nevada - S.B. 61 and S.B. 258 (see below under "Commission Regulation").

North Carolina - H.B. 426\*, amends Electric Membership Corporation Act by adding provisions defining "rural section" to exclude municipalities having population in excess of 2,500; authorizing cooperative service in such municipalities without franchise for a 6-year period, subject however to immediate takeover by a municipal utility, and takeover after 6 years by the franchised utility serving the municipality, and providing a formula for compensation and authorizing exchange of facilities; and providing for special legislative study commission to study cooperative taxation.

North Carolina - S.B. 116\* and H.B. 203\* (see below under "ELECTRIFICATION AND TELEPHONE, Commission Regulation").

Pennsylvania - H.B. 538\*, prohibits duplication of existing service and provides for continued service in annexed areas [substantially the model "Territorial Integrity Act"].

- H.B. 746\*, amends Electric Cooperative Corporation Act by re-defining "rural area" to include any area in which electric service cannot be obtained from a municipal or a regulated utility; restating the purpose to be furnishing electric energy to persons in rural areas who cannot obtain electric service from a municipal or a regulated utility. (Bill also includes other provisions reported under "Taxation," below.)

South Carolina - S.B. 141, amends Rural Electric Cooperative Act to provide that the right of rural electric cooperatives to continue service in areas served by them shall not be affected by subsequent incorporation, annexation or population growth, and includes provisions authorizing purchase of facilities by the town or city in certain cases.

- S.B. 142, prohibits duplication of service and facilities by suppliers of electricity, and defines conditions under which a supplier of electric service may extend its services and facilities.

Texas - S.B. 221\*, amends the purpose clause of Electric Cooperative Corporation Act to remove restrictions imposed on cooperative electric service in cities and towns and areas annexed thereto to permit limited extension of service within annexed areas to unserved structures located within 1,500 feet of distribution facilities existing at the time the area became non-rural and subjecting cooperatives to the regulatory authority of the city town and to payment of gross receipts taxes in the same manner as other electric suppliers. (Bill includes other provisions reported under "Amendment of Cooperative Enabling Laws," above.)

Vermont - S.30\*, amends §3 of the 1957 anti-duplication law (30 V.S.A. §2808) to modify the prohibition against service by another public utility to persons or property already served "unless its existing service facilities are nearer the metering point on the premises to be served than the service line of any other public utility."

### Commission Regulation

#### Failed

Oregon - H.J.Res. 11\*, would have created a Joint Interim Electric Power Study Committee to study rate actions of the Public Utilities Commission whether areas are better served by giving a monopoly to one utility in a territory, and certain other aspects of the electric utility industry.

Vermont - S.31\*, would have amended Public Service Board law by adding new section authorizing Board to require electric public utilities to secure certificate of public convenience and necessity for construction which "will materially affect the public interest and involve outlays in excess of \$50,000.00."

#### Pending

Minnesota - S.F. 859\*, provides for regulation of electric service by the Railroad and Warehouse Commission; specifically exempts electric cooperatives and municipalities, and the wholesale sales of electricity to cooperative or municipalities.



Missouri - S.B. 331, prohibits public utilities from engaging in retail appliance business.

Nevada - S.B. 258 (superseding S.B. 61), subjects electric cooperatives serving members only to jurisdiction of Public Service Commission with respect to territory only (certificates of convenience and necessity with "grandfather clause" to cover territory being served); and to subject electric cooperatives serving non-members to complete Commission regulation.

## Power Supply and Electric Lines

### Enacted

Alaska - S.Res. 4\*, urges Congress to appropriate funds for construction of Crater-Long Lakes division of Snettisham hydroelectric project and Bradley Lake hydroelectric power project.

- S.Res. 60\* and S.J.Res. 33\*, urge Federal agencies to speed completion of studies of Yukon River and Rampart Dam hydroelectric project and request Congress to appropriate sufficient funds for this purpose.

Arkansas - S.Res. 8 (adopted 3/6), and H.Res 26\* (adopted 2/27), encourage commercial power companies and electric cooperatives to produce and make available the maximum amount of electric energy whenever and wherever possible.

California - A.C.Res. 16\* ( adopted, Res. Chap. 54 ) requests the Department of Water Resources to investigate and report to Legislature not later than 2/15/64, means of disposing of hydroelectric power generated at Oroville Dam.

Georgia - S.Res. 15\*, endorses construction of a multiple purpose project at Trotters Shoals site on the Savannah River.

Idaho - S.B. 265\* (passed Senate 3/9, passed House 3/12), ratifies Columbia Interstate Compact.

Montana - S.B. 41 (approved 2/7), relates to Columbia Interstate Compact.

North Dakota - S.B. 343 (approved) authorizes state to issue general obligation bonds and use proceeds to make loans to privately or cooperatively-owned enterprises for facilities to convert North Dakota natural resources into low cost power.

Utah - S.B. 214\* (passed Senate and House), ratifies Columbia Interstate Compact.

Wyoming - S.B. 88 (approved by Governor, Chapter 110), ratifies Columbia Interstate Compact.

Failed

Oregon - H.B. 1633\*, would have created Oregon Power Development Commission, with authority to acquire and dispose of electric energy, with preference to public bodies and cooperatives.

Washington - S.B. 207\*, and H.B. 43\*, would have ratified Columbia Interstate Compact.

- S.B. 602\*, would have repealed public posting requirement in connection with requests for placement of transmission lines.

Pending

Alaska - S.B. 123\*, creates Rampart Dam Development Committee, and establishes its powers and duties.

- H.C.Res. 38\*, directs Legislative Council to compile all studies, beneficial and adverse, on the effects of the proposed Rampart Dam project on Alaska's mineral, wildlife and human resources.

California - S.B. 643\*, amends provisions of Public Resources Code relating to the maintenance of electrical transmission and distribution lines in hazardous fire areas.

- A.B. 634\*, establishes policy on sale of electric power from projects under control of Department of Water Resources which is authorized to construct and acquire transmission lines; requires preference to public bodies and cooperatives.

- A.B. 1625\*, establishes policy on sale of electric power generated at state water resources development projects, requiring consideration of all factors, including benefits from encouraging most widespread use of power at lowest possible rates.

Iowa - H.F. 361\* and S.F. 254 (passed Senate 3/28), amends Chapter 489, Code of Iowa, to clarify the authority of the boards of supervisors and the state commerce commission to authorize eminent domain for electric transmission lines.

Maine - S.B. 301, creates Maine Power Authority.

- S.B. 129, memorializes Congress to fully develop power potential of Passamaquoddy.

Missouri - H.B. 473, regulates construction and reconstruction of electric power lines and authorizes Public Service Commission to adopt rules and regulations for administration of act.

Nebraska - L.B. 481\*, authorizes two or more districts engaged in generation and transmission of energy at wholesale which own facilities jointly, to agree upon division and separation of ownership, subject to approval of Department of Water Resources.

- L.Res. 13\*, resolves that easements for rural electric lines over public lands be granted for nominal or minimum consideration.

Oklahoma - H.B. 967\*, requires certain safety devices to prevent contact with high voltage lines.



Oregon - S.B. 209\*, ratifies Columbia Interstate Compact.

- H.J.Mem. 5\*, memorializes Congress to appropriate funds for construction of a Federal power transmission line connecting the Northwest and Southwest.

Wisconsin - A.432\*, relates to crossing of railroad rights-of-way by electric wires.

## Electrical Licensing and/or Inspection

### Enacted

Arkansas - H.B. 330 (approved 3/4, Act 148), prescribes safety precautions with respect to high voltage lines.

Colorado - H.B. 245\* (passed House and Senate), amends §115-4-6, Col. Rev. Stats., to adopt Sixth in place of Fifth edition of National Electrical Safety Code, and to delete special provisions for clearance of lines where voltage does not exceed 20,000 volts.

Minnesota - S.F. 569\* (approved 3/19, Ch.136), extends to 1965 provisions for licensing temporary Class C electricians.

New Mexico - H.B. 160\* (approved 3/20, Chap.206), increases membership of electrical administrative board.

Oregon - H.B. 1429\* (passed House 3/11; passed Senate 4/11), amends provisions of Electrical Safety Law dealing with electrical apprentice's license, and with licensing on the basis of experience or training.

South Dakota - H.B. 584\* (passed House and Senate), establishes a State Electrical Board and provides for regulation of electrical installations.

- H.B. 822 (passed House and Senate), repeals law (31.04B) dealing with electrical standards and financial responsibility of contractors

Washington - S.B. 370\* (H.B. 594\*) approved 3/27, Chap. 207, creates an electrical advisory board and amends law regulating electricians and electrical installations.

Wyoming - H.B. 58 (Chap. 75, effective 7/1/63), creates State Electrical Board and provides for licensing of electrical contractors and electricians.

### Failed

Arkansas - H.B. 385, would have created State Board of Electricity and provided for licensing of electricians and inspection of electrical installations.

Colorado - H.B. 136\*, would have amended electrical licensing law by establishing July 1962 National Electrical Code (Pub. #70) as minimum standard, and adding provisions for inspection.

New Mexico - H.B. 161\* (passed House 2/8; killed in Senate), would have amended electrical contractor licensing law to provide for the examination and licensing of journeymen electricians.

North Dakota - H.B. 657\* (passed House with amendment 2/19), related to state electrical board and licensing of electricians.

Washington - S.B. 454\*, would have repealed electrical construction code.

Pending

Alaska - H.B. 91\*, prohibits bidding on electrical contract by person not licensed by electrical board.

Maine - H.B. 380, revises electrician licensing law.

- H.B. 664, provides for examination fee and increases renewal fee for electricians licenses.

Michigan - H.B. 161\* (passed House), amends Electrical Administrative Act to expand definition of "electrical wiring"; define "electrical supervisor" and change references from the 1959 to the 1962 edition of the National Electrical Code.

- H.B. 162\*, amends Electrical Administrative Act by raising license fees; providing for the adoption by municipalities of the state board's licensing; prohibiting electrical wiring in cities, villages or townships of less than 5,000 population except by licensees; and providing procedure for suspension of licenses.

Minnesota - H.F. 1462\*, restricts authority of State Board of Electricity in adopting regulations to that conferred by statute dealing with inspection of electrical installations.

- H.F. 1463\* and S.F. 1473\*, abolish State Board of Electricity and transfer its powers, duties and employees to the Industrial Commission; creates advisory commission; and adopts the 1962 National Electrical Code as the minimum standard for electrical work.

New Hampshire - H.B. 32 (reinstated and amended in House 3/14), gives State Board of Fire Control duty to supervise electrical wiring and installations, provides for appointment of chief electrical inspector; and exempts electrical wiring on public utilities equipment if installed and maintained in accordance with National Electrical Code.

Ohio - S.B. 17\*, provides for licensing of inspectors of electrical installations.

Oregon - H.B. 1402\*, amends Electrical Safety Law with respect to limited licenses issued thereunder.



Atomic Energy - Radiation Regulation

Enacted

Nevada - A.B. 495 (passed Assembly 4/2 and Senate 4/5), designates State Board of Health as the State Radiation Control Agency.

Failed

Arizona - S.B. 7\* (died in Senate), would have created Arizona Atomic Energy Commission.

Washington - H.B. 561\*, related to study of utilization of reactors at the Hanford atomic energy works for steam generation of electricity.

Pending

California - A.B. 947\*, revises make-up of Departmental Coordinating Committee on Atomic Energy Development and Radiation Protection.

- A.B. 949\*, authorizes seizure of objects contaminated with radioactive materials.

- A.B. 1595\*, increases membership of Advisory Council on Atomic Energy Development and Radiation Development.

Delaware - H.B. 88, enacts the Southern Interstate Nuclear Compact.

Florida - H.B. 215, creates Florida Nuclear and Space Commission.

Kansas - S.B. 317\* (passed Senate), enacts the nuclear energy development and radiation control act.

Missouri - S.B. 321, provides for delegate to Southern Interstate Nuclear Board.

-S.B. 322, creates Committee on Radiation Control.

Nevada - A.B. 478, creates Nevada Atomic Energy Commission.

North Carolina - S.B. 120\* and H.B. 225, enact the Southern Interstate Nuclear Compact.

Ohio - H.B. 10\*, empowers Governor to establish working relationship with Federal government regarding peaceful uses of atomic energy.

- H.B. 833\*, establishes Atomic Energy Authority in Department of Commerce.

Oklahoma - H.B. 866\*, adopts Southern Interstate Nuclear Compact.

Wisconsin - S.217,\* enacts nuclear facilities liability act.

- S.247\* and S.444\*, enact radiation protection act.

- S.443\*, authorizes governor, on recommendation of legislative council, to enter into agreements with the Federal government for state assumption of responsibility with respect to sources of ionizing radiation.



## Taxation

### Failed

Arizona - S.C.Res. 7\*, H.C.Res. 8 and H.C.Res. 17\*, would have amended provisions of Arizona Constitution dealing with tax exemption of power districts.

- H.B. 133\*, would have amended §42-271, Ariz. Rev. Stat., to restrict tax exemption of property of irrigation, power, electrical, agricultural improvement, drainage and flood control, and public improvement districts to a portion thereof as determined by the amount of electric energy sold or consumed for irrigation pumping within the boundaries of the district.

- H.R. 5\*, would have created Power District Study Committee of the House of Representatives, to study status of power districts, including their tax exemption.

Idaho - H.B. 338\*, would have repealed §63-105J and 63-106, Idaho Code, to delete tax exemption for property used for generating and delivering electrical energy for irrigation or drainage purposes.

South Dakota - H.B. 754\*, would have amended the electric cooperative gross receipts tax law to reflect the revised definition of "rural area." (See above, Anti-duplication and Territorial Protection.)

### Pending

Illinois - S.B. 504\*, removes tax exemption for property of municipal utilities which compete with privately-owned utilities.

Iowa - H.F. 300\*, provides for taxation of electric transmission lines owned or operated by cooperative corporations or associations.

Missouri - H.B. 795, subjects rural electric cooperatives to same taxation as other utilities.

Nebraska - L.B. 391\*, amends Nebraska Constitution to provide that public power and irrigation districts shall be subject to taxation.

North Carolina - H.B. 426\* (see "Anti-duplication and Territorial Protection Pending" above for tax provision).

Pennsylvania - H.B. 746\*, amends Electric Cooperative Corporation Act by changing the present exemption from all state taxes upon payment of an annual fee of 10¢ per member to an exemption from corporate net income taxes only upon payment of an annual license fee of \$3.00 per member. (Bill contains other provisions reported under "Anti-duplication and Territorial Protection," above.)

Ohio - H.B. 557\*, makes municipally-owned utilities subject to real and personal property taxes.

- H.B. 558\*, makes municipally-owned utilities subject to utility excise taxation.

Oklahoma - S.B. 189\*, imposes sales tax on industrial and commercial customers of rural electric cooperatives.

Oregon - S.B. 175\* (passed Senate 2/27), exempts people's utility districts from corporation excise tax.

#### COOPERATIZATION AND TELEPHONE

#### Cooperative Enabling Legislation

##### Enacted

Utah - S.B. 1\* (approved 3/7), enacts a new non-profit corporation act.

##### Failed

Washington - H.B. 485\*, would have enacted a new non-profit corporation act.

#### Amendment of Cooperative Enabling Laws

##### Enacted

Minnesota - H.F. 371 (S.F. 366), approved 4/5, Chap. 172, amends provisions of Cooperative Associations Act relating to election of directors.

- H.F. 377 (S.F. 395), approved 3/29, Chap. 92, amends provisions of Cooperative Associations Act specifying filing procedures in dissolution of cooperatives.

Oregon - S.B. 132\* (passed Senate and House), amends sections of Cooperative Corporation Act dealing with issuance of shares, setting a minimum for patronage transactions, merger and consolidation.

##### Pending

Iowa - S.F. 349 (passed Senate with amendment 3/29), amends Cooperative Association Act to permit amendment of articles or bylaws by members present at annual or special meeting.

Minnesota - S.F. 962\* and H.F. 1510\*, amend §308.12, Cooperative Associations Act, to provide that all equity credits of deceased patrons (net income allocated but not paid in cash) shall be promptly paid in cash.

#### Commission Regulation

##### Enacted

Alaska - H.B. 228\* (passed House and Senate), amends the Alaska Public Service Commission Act to prohibit utility operation after January 1, 1964, without a certificate of convenience and necessity; authorizes the issuance of certificates of convenience and necessity to public utilities delineating service areas, with a "grandfather clause" requiring issuance of certificates to utilities actually operating or installing facilities on October 15, 1962; defines public utility to exclude municipal utilities;



eliminates exemption of public utilities doing gross annual business of less than \$100,000; and repeals provision that act shall not apply to a utility until legislature has enacted specific legislation. (See also H.B. 158 and 159, "Pending", below.)

Indiana - S.B. 313\* (approved by Governor), requires newspaper publication of proposed utility rate increases in affected county.

Iowa - S.F. 11\* (H.F. 81), approved 4/19, enlarges jurisdiction of State Commerce Commission to include regulation of rates and services of public utilities furnishing gas, electricity or communications service to the public for compensation; exempts from rate regulation municipal utilities, cooperative corporations or associations, mutual telephone companies in which 50% of the users are owners, and telephone companies with less than 2,000 stations except those with facilities crossing state lines which elect to have their rates regulated. Before final passage, S.F. 11 was amended to provide that utility service in annexed areas shall be provided by the public or municipal utility serving within the corporate boundaries of the city or town, and requiring it to purchase the facilities of an unfranchised utility serving the annexed area at the end of six years after date of annexation or exchange rural facilities therefor; prohibits extension within annexed area if the Commerce Commission determines such extension is not in public interest; exempts generation and transmission facilities in annexed area and unfranchised public utilities which acquire franchise within the 6-year period. As amended, S.F. 11 also includes prohibitions against service to consumers already served and to prospective consumers located closer to the facilities of another utility except where the commission, after notice and hearing and consideration of the consumer's preference, finds that service from the other utility is in the public interest. Generating facilities are specifically exempted from the commission's jurisdiction.

#### Failed

Arizona - S.B. 222\*, would have amended §40-281, Ariz. Reve. Stat., dealing with certificates of public convenience and necessity by requiring payment of \$50 filing fee.

- H.C.Res. 9\*, would have amended Art. 51, §14 Ariz. Const., by prescribing use by Corporation Commission of fair value rather than replacement value in determining rates of a public service corporation.

Iowa - H.F. 302\*, would have extended authority of State Commerce Commission to regulate rates and services of public utilities providing electric, gas, water and telephone service to the public for compensation; exempted from rate regulation municipal utilities, cooperative corporations or associations and mutual telephone companies where at least 50% of the users are owners; included provisions regarding utility services in areas annexed to cities and towns to require that in cases where municipal utility service is available it shall serve annexed area after payment for property of utility formerly providing service, and where annexed area is served by utility not having franchise, utility shall be permitted to continue service in such



area for ten years provided it agrees to abide by terms of franchise of other utility, and authorized purchase of property by franchised utility after finding by commission; and prohibited duplication of service furnished by a utility certified to serve the same area.

Oregon - H.B. 1342\*, would have amended 1961 law giving Public Utility Commissioner jurisdiction over territorial allocations by excluding areas annexed after allocation from definition of "allocated territory" if city by its charter authority grants franchises to more than one utility; by excluding federal agencies in definition of "utility service."

- H.B. 1605\*, would have repealed the 1961 territorial allocation law and vacated any order of the Public Utility Commissioner allocating territory.

South Dakota - S.B. 141\*, would have extended Public Utilities Commission jurisdiction over electric, telephone and other utilities, including commercial, municipal and cooperative electric utilities; included provisions prohibiting duplication of facilities to provide electric service to premises already being served without written permission of other utility or order of Commission; and required sale of electric facilities within annexed areas to franchised utility serving the annexing municipality

West Virginia - H.B. 24, would have amended provisions relating to changing rates of public utilities by PSC and extended period for suspension of rates to eleven calendar months.

- H.B. 21, would have provided for appointment of public counselor to represent taxpayers, patrons and public in all proceedings before the PSC.

### Pending

Alaska - H.B. 158\*, includes all of the certificate provisions of H.B. 228 (see Enacted, above) and additional provisions relative to certificates of necessity, prohibiting duplication of telephone and electric service, and other aspects of regulation which are made applicable to municipal, cooperative and commercial utilities. [Note: the 1963 session having adjourned this bill is carried over to the 1964 session.]

- H.B. 159\*, re-creates Public Service Commission, defines authority and duties.

Illinois - S.B. 524\*, permits utilities and Commission to include, in determining its charges, an amount of reasonable surplus for expansion of service or facilities; prohibits any charge or deposit for extension of services or facilities.

Nebraska - L.B. 82\*, revises and re-enacts law relating to the State Railway Commission and regulation of utilities, including electric and telephone systems.

North Carolina - S.B. 116\* and H.B. 203\*, rewrite Public Utilities Act, as recommended by the General Statutes Commission; exclude electric or telephone membership corporations from definition of "public utility" but makes requirement of certificate of convenience and necessity applicable thereto; authorize the Commission to fix the "present service area" of all electric and telephone systems and prohibit service outside such areas except upon finding of public convenience and necessity; provide that "investor-owned" electric or telephone companies shall have the right to purchase for "fair value" all of the franchises and assets of electric or telephone membership corporations upon application to and approval by the Commission, subject to a prior right of purchase by a public utility newly organized by a majority of the members of a seller membership corporation.

- S.B. 266\*, amends the Public Utility Act by adding provisions requiring Commission approval of payment or any other inducement to secure use of a utility's service, and the offering of the same inducement to all persons within the same classification of service; authorizes Commission to consider evidence of inducements offered by non-regulated competitors.

Ohio - S.B. 195\* and H.B. 543, substitute "fair value" for "reproduction cost new" as base for utility rates.

South Carolina - S.B. 281, provides for appointment of a committee to investigate the Public Service Commission and audit its accounts and records.

## Taxation

### Enacted

Arizona - H.B. 271 (S.B. 260), approved 3/27, Chap. 43, provides for the establishment of a division of appraisal and assessment standards in the State Tax Commission for the purpose of developing uniform valuation of property for tax purposes and establishes various classes of property including electric and telephone properties.

Montana - H.J.Res. 21 (passed House 2/19; passed Senate), directs Board of Equalization to report to next session on status of reclassification and re appraisal program, and property tax equalization. [Passage followed defeat in Senate of four House-initiated bills dealing with classification and assessment of property for tax purposes.]

Tennessee - S.B. 126 (H.B. 126), approved 2/26, Chap. 38, makes utility services subject to sales tax.

### Failed

Tennessee - H.B. 752, would have exempted companies furnishing electric power from gross receipts tax in certain cases.

- H.B. 753, would have exempted certain electric distributors from excise tax.

- H.B. 755, would have exempted certain electric distributors from franchise tax.



Pending

Iowa - H.F. 138\*, authorizes cities and towns to levy and collect a franchise tax up to 2% of gross revenues.

- H.F. 301\*, imposes an excise tax of 1/3 of one percent on the gross revenues of cooperative corporations or associations, municipal corporations or federal corporations acting in a proprietary capacity.

Minnesota - H.F. 1737, imposes 3% gross receipts tax on retail sales of electricity and local exchange telephone service.

Utility Relocation Reimbursement

Enacted

Minnesota - H.F. 521 (approved 3/6/63, Chap. 57) relates to relocation of utilities located on interstate highway system.

Nevada - S.B. 134 (approved 4/1/63, Chap. 167), provides for reimbursement by State of costs incurred in relocating utility facilities on order of State Highway Engineer.

Tennessee - S.B. 738\* (H.B. 895), approved 4/1/63, Chap. 368, provides for reimbursement by State Highway Commissioner of costs of relocation of utility facilities in connection with construction of interstate and defense highway project.

Utah - S.B. 108, revises general highway law, including provisions relating to assistance in relocation of utilities.

West Virginia - S.B. 82 (H.B. 94) (passed Senate 3/2; passed House 3/7), includes provisions relating to relocation of public utility lines and facilities to accommodate federal-aid interstate highway projects.

Failed

Montana - S.B. 211 (killed in Senate 2/12), would have relieved state of expense of relocating utility facilities on public lands.

South Dakota - S.B. 167\*, would have provided for payment by State of costs incurred in relocating utility facilities in connection with interstate and defense highway projects.

Pending

Minnesota - S.F. 259\*, amends law relating to reimbursement of utilities on interstate highway system for relocation of facilities.



Utility Facilities - Damage or Destruction

Enacted

Wyoming - S.B. 64 (approved, Chap. 24, effective 5/18/63), provides penalties for placing posters or signs on utility poles or wires.

Failed

Georgia - H.B. 127\*, would have made it unlawful to damage utility properties.

Pending

Oklahoma - H.B. 612\*, makes it a misdemeanor to attach unauthorized objects to utility poles or wires.

Uniform Commercial Code

This bill which has already been enacted in a number of States affects the form and recordation of security instruments.

Enacted

Alaska - S.B. 66\*, (approved March 16, 1963, Chap. 11), amends previously enacted Code.

Indiana - S.B. 7\* (approved by Governor), enacted Code.

Maryland - S.B. 77, (passed Senate and House), enacted Code.

Michigan - S.B. 1014, (passed Senate and House), amends previously enacted Code.

Montana - H.B. 282 (passed House 2/14; passed Senate 3/2), enacted Code.

Ohio - S.B. 35, (approved 3/27/63, effective 6/27/63), makes corrections in previously enacted Code.

West Virginia - H.B. 3 (S.B. 3) (passed House 2/18; passed Senate 3/5), enacted Code.

Failed

Arkansas - H.B. 425, would have repealed the Code.

Idaho - S.B. 115, would have established a legislative committee to study desirability of enacting the Code.

Washington - H.B. 129, would have enacted Code.

Pending

California - S.B. 118 (passed Senate), enacts Code.

Kansas - S.C.Res. 19\*, (passed Senate), directs study of effect of enactment with report to 1965 legislature.

Maine - H.B. 79, enacts Code.

Minnesota - H.F. 294\*, and S.F. 868, enact Code.

Missouri - S.B. 2 and H.B. 521, enact Code.

Nebraska - L.B. 49, enacts Code.

Oklahoma - S.B. 240, repeals previously enacted Code.

Oregon - S.B. 196, amends previously enacted Code.

South Carolina - H.B. 1472 (passed House 4/3), extends to 1964 time for making report to General Assembly on Code.

Wisconsin - S.B. 1, enacts Code.

Disposition of Unclaimed Property Act

This bill which has been enacted in a number of States provides for escheat to the State of unclaimed utility deposits and unclaimed corporate interests, including cooperative distributions.

Enacted

Montana - H.B. 94 (passed House, 2/14; passed Senate 2/28).

New Mexico - S.B. 282\* (approved 3/22/63, Chap. 280), amends unclaimed property law.

Failed

Indiana - H.B. 1380

Kansas - S.B. 162\*

South Dakota - S.B. 105\*

Utah - S.B. 122\*, would have amended 1957 enactment of uniform law.

Washington - H.B. 546\*, would have amended 1955 enactment of uniform law.

Pending

Georgia - H.B. 6\*

Nebraska - L.B. 8\*

South Carolina - S.B. 21

Wisconsin - S.B. 6\*

Miscellaneous

Enacted

Oregon - H.B. 1427\* (passed House 3/28; passed Senate 4/9), amends provisions limiting width of right-of-way which may be condemned for electric and telephone lines.

TELEPHONE

Amendment of Cooperative Enabling Laws

Pending

Missouri - H.J.Res. 28, amends Constitution to provide that cumulative voting for corporation directors shall not apply to subscriber-owned telephone corporations.

Oklahoma - H.B. 778\*, amends Rural Telephone Cooperative Act by eliminating requirement of membership authorization for acquisition of cooperative property by United States or certain other public bodies for public purpose

Commission Regulation

Pending

California - A.B. 67\*, requires Public Utilities Commission in fixing telephone rates to give consideration to comparison of quality of service and rates of adjoining companies.

Missouri - H.B. 695\*, empowers Public Service Commission to compel telephone companies to extend service in certified areas, and to extend certified areas.

Taxation

Enacted

North Dakota - H.B. 546\* (passed House 2/15; passed Senate 3/4), provides for taxation of private or commercial telephone companies engaged in serving rural areas.

- H.Con.Res. B, directs legislative Research Committee to conduct a study of the equities of telephone taxation.



Pending

California - S.C.A. 18\*, amends Constitution to impose an annual tax of 1% of intrastate revenues in lieu of certain other specified taxes.

Iowa - H.F. 262, provides that drop and service lines be included in computing number of miles of telephone line for determination of value of telephone property for tax purposes.

- H.F. 534, provides for taxation of real estate of telephone and telegraph companies at place where located.

Maine - H.B. 694, relates to apportionment of telephone and telegraph tax to municipalities.

Michigan - H.B. 209, repeals 1962 law taxing telephone service.

- H.B. 210, reduces tax on telephone service.

Telephone Facilities - Damage or Destruction - Penalties

Enacted

Colorado - S.B. 178\* (passed Senate 2/22; passed House 3/27).

Idaho - H.B. 210\* (approved 3/8, Chap. 74).

Montana - S.B. 125 (approved 3/6).

Utah - S.B. 73\* (passed Senate 2/25; passed House 3/8).

Failed

Wyoming - S.B. 112

Pending

Pennsylvania - H.B. 295, prohibits posting of signs on telephone poles.

Telephone Party Lines - Emergency Calls

Enacted

Kansas - S.B. 348, provides penalties for failure to yield party lines for emergency calls and requires notice of law to appear in telephone directories.

New Mexico - S.B. 318\* (approved 3/27/63, Ch. 320), provides penalties for failure to relinquish party line for emergency calls.

Pending

Florida - S.B. 46 and 107, require relinquishment of telephone party line in emergencies.

Missouri - H.B. 213 and H.B. 249, provide penalties for failure to relinquish party line for emergency calls and require notice of law to appear in all directories.

pared by:

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inquiries concerning content of this report should be addressed to this office.

The first part of the paper is devoted to a general discussion of the problem of the origin of life. It is shown that the problem is one of the most important and most difficult in the history of science. The author discusses the various theories of the origin of life, and shows that the most plausible is the theory of spontaneous generation. This theory is based on the fact that life is a complex of many different parts, and that these parts are all found in the same place, and at the same time. This is a strong argument in favor of the theory of spontaneous generation.

The second part of the paper is devoted to a discussion of the evidence in favor of the theory of spontaneous generation. The author shows that the evidence is very strong, and that it is not possible to explain the origin of life in any other way. The author also discusses the various objections to the theory of spontaneous generation, and shows that they are all unfounded. The author concludes that the theory of spontaneous generation is the only one that is supported by the evidence.

The third part of the paper is devoted to a discussion of the implications of the theory of spontaneous generation. The author shows that the theory has many important implications for our understanding of the origin of life. It shows that life is not a unique phenomenon, but that it is a common one. It also shows that life is not a product of chance, but that it is a product of necessity. The author concludes that the theory of spontaneous generation is a very important one, and that it is one of the most important in the history of science.

The fourth part of the paper is devoted to a discussion of the future of the theory of spontaneous generation. The author shows that the theory is still a very important one, and that it is one of the most important in the history of science. The author also discusses the various objections to the theory, and shows that they are all unfounded. The author concludes that the theory of spontaneous generation is the only one that is supported by the evidence.

The fifth part of the paper is devoted to a discussion of the evidence in favor of the theory of spontaneous generation. The author shows that the evidence is very strong, and that it is not possible to explain the origin of life in any other way. The author also discusses the various objections to the theory of spontaneous generation, and shows that they are all unfounded. The author concludes that the theory of spontaneous generation is the only one that is supported by the evidence.

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176 S. Lerner - working 5/63

UNITED STATES DEPARTMENT OF AGRICULTURE  
Rural Electrification Administration

1963 State Legislation Affecting the REA Programs  
Highlights of State Legislative Developments  
Special Interim Report on  
Territorial Protection and Commission Regulation  
May 27, 1963

General. This special report covers legislative developments, through May 21, in most of the states, pertaining to bills dealing with territorial protection and commission regulation. Status of all bills is shown where known.

ENACTED\*

Alaska - H.B. 228\* (approved 4/20, Chap. 95), amends the Alaska Public Service Commission Act to prohibit utility (electric and telephone) operation after January 1, 1964, without a certificate of convenience and necessity; authorizes the issuance of certificates of convenience and necessity to public utilities delineating service areas, with a "grandfather clause" requiring issuance of certificates to utilities actually operating or installing facilities on October 15, 1962; defines public utility to exclude municipal utilities; eliminates exemption of public utilities doing gross annual business of less than \$100,000; and repeals provision that act shall not apply to a utility until legislature has enacted specific legislation.

[Note: H.B. 158\* includes all of the certificate provisions of H.B. 228 and additional provisions relative to certificates of necessity, prohibiting duplication of telephone and electric service, and other aspects of regulation which are made applicable to municipal, cooperative and commercial utilities. The 1963 session having adjourned, this bill is technically carried over to the 1964 session; however, it may be considered as superseded by H.B. 228, above.]

Idaho - S.B. 297\* (approved, Chap. 269, effective 6/1/63), amends the 1957 anti-duplication law by (1) making it applicable to municipal and quasi-municipal corporations, and (2) adding provisions authorizing public utilities and cooperatives to continue and extend electric service in areas incorporated into or annexed to a municipality, and to utilize public areas therefore subject to safety requirements, and further subject to the right of the municipal utility to extend service to the incorporated or annexed area in which case just compensation shall be paid by the municipality; in the case of a cooperative, determined by voluntary agreement, or, in the absence thereof, by the district court after a majority of the voters in the municipality and of the members of the cooperative have approved the transaction, and (3) prohibiting any cooperative or public utility presently having transmission lines within the corporate limits of a municipality engaged in furnishing electric energy to its citizens

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#Throughout this report bills which have passed both Houses but as to which action by the Governor has not been determined are listed under the heading "Enacted."

\*Bills which have been received and are available in the Office of Legislative and Interagency Consultant. Recipients of this report are requested to furnish copies of bills not so marked, if available, and to report later status of all bills where known.



from making service extensions from such transmission lines within the municipal limits. [S.B. 297, superseded H.B. 315\*, the bill originally sponsored by the cooperatives which would have amended the 1957 anti-duplication law by adding (1) a definition of "public utility" so as to cover all suppliers of electric energy, including municipalities, whether or not regulated by the Public Utilities Commission, and (2) provision for continuation of electric service, in areas incorporated into or annexed to municipalities.]

Iowa - S.F. 11\* (H.F. 81), approved 4/19, enlarges jurisdiction of State Commerce Commission to include regulation of rates and services of public utilities furnishing gas, electricity or communications service to the public for compensation; exempts from rate regulation municipal utilities, cooperative corporations or associations, mutual telephone companies in which 50% of the users are owners, and telephone companies with less than 2,000 stations except those with facilities crossing state lines which elect to have their rates regulated. Before final passage, S.F. 11 was amended to provide that utility service in annexed areas shall be provided by the public or municipal utility serving within the corporate boundaries of the city or town, and requiring it to purchase the facilities of an unfranchised utility serving the annexed area at the end of six years after date of annexation or exchange rural facilities therefor; prohibits extension within annexed area if the Commerce Commission determines such extension is not in public interest; exempts generation and transmission facilities in annexed area and unfranchised public utilities which acquire franchise within the six-year period. As amended, S.F. 11 also includes prohibitions against service to consumers already served and to prospective consumers located closer to the facilities of another utility except where the commission, after notice and hearing and consideration of the consumer's preference, finds that service from the other utility is in the public interest. Generating facilities are specifically exempted from the commission's jurisdiction.

[Note: H.F. 302\*, sponsored by Iowa League of Municipalities and supported by cooperatives, died in Committee, would have extended authority of State Commerce Commission to regulate rates and services of public utilities providing electric, gas, water and telephone service to the public for compensation; exempted from rate regulation municipal utilities, cooperative corporations or associations and mutual telephone companies where at least 50% of the users are owners; included provisions regarding utility services in areas annexed to cities and towns to require that in cases where municipal utility service is available it shall serve annexed area after payment for property of utility formerly providing service, and where annexed area is served by utility not having franchise, utility shall be permitted to continue service in such area for ten years provided it agrees to abide by terms of franchise of other utility, and authorized purchase of property by franchised utility after finding by commission; and prohibited duplication of service furnished by a utility certified to serve the same area.]

Nebraska - L.B. 220\*, as amended, (approved and effective 5/16), creates a five-member Nebraska Power Review Board within the Department of Water Resources, to be appointed by the Governor for four-year staggered terms with provision for ineligibility of any person affiliated with an electric utility within four years preceding appointment. Authorizes all retail electric suppliers to enter agreements specifying their service areas, subject to Board approval. Where no such agreements are filed, Board may, on application of a supplier or on its motion, after notice and hearing establish and modify service areas, except for service within the corporate limits of a municipality, applying specified criteria. Give



municipal utility superior right to serve consumers in zoning areas outside corporate limits except those already served by other suppliers whose facilities in such zoning areas may be acquired by the municipal by negotiation. Directs the inclusion in municipal service area, as a maximum, such zoning areas and territory beyond, including not more than one-half mile on each side of existing municipal lines presently used to serve existing customers, but excluding customers served by other suppliers. Service to new customers locating in such half-mile zones to be determined by Board in case of disagreement. Prohibits service or line construction outside established service areas except by agreement or approval of Board to be determined on basis of adequacy of service and prevention of duplication. Gives municipal supplier preference to acquire and serve consumers in zoning areas annexed to municipality. Requires Board approval for construction of new generating facilities, or transmission lines or related facilities carrying more than 700 volts, except for transmission lines within the supplier's service area or less than one-half mile outside same if other supplier consents, and except for municipal's lines within its corporate limits and zoning area, or any generating facility or transmission lines connecting same with the municipal service area in its county. Requires suppliers to serve all applicants in service areas with any disagreement as to terms of service to be settled by Board. Rate disputes between suppliers for service between them to be settled by Board. Provides for court enforcement of Board orders and provides for pro rata assessments against electric suppliers to defray expenses of the Board. Secs. 70-649 and 70-657, Reissue Revised Statutes, 1943, are amended to authorize power districts to exchange distribution facilities, having a rating of less than 15,000 volts, with a net cash differential not exceeding \$10,000, with rural electric membership corporations to carry out territory agreements.

Nevada - S.B. 258\* (approved and in effect), subjects cooperatives serving member only to jurisdiction of Public Service Commission with respect to territory only (certificates of convenience and necessity with "grandfather clause" to cover territory being served) and cooperatives serving non-members to complete Commission regulation; allows cooperatives acquiring certificate and property of public utility six-month period to enroll acquired customers as cooperative members; amends certificate section of public utility law to authorize public utility to complain to Commission over construction or extension of facilities by another utility interfering with its operations; authorizes Commission, on a finding of duplication, to assign territory by certificate, define conditions of service, and order elimination of duplication; and provides for imposition of annual assessment on intrastate operations of public utilities to defray the cost of Commission operations.

South Dakota - H.B. 753\* (passed with amendments opposed by the cooperatives), amends the Electric Cooperative Law relating to the definition of "rural area" to provide that it shall continue to include areas which become as a result of incorporation, population growth or otherwise a city or town having a population in excess of 1500; and provides where a city or town extends its boundaries by annexation, the municipal or other utility providing service to the majority of customers in the city or town shall have the right to acquire the electric property and facilities within the annexed area upon payment of fair and reasonable value for such property plus severance damages, the amount to be fixed by negotiation or by action of a board of arbitration, and permits acquisition of such property by eminent domain if purchase is not completed within 60 days from time of annexation.

FAILED

Minnesota - S.F. 859\* <sup>am 2 H.F. 1148</sup>, would have provided for regulation of electric service by the Railroad and Warehouse Commission; specifically exempted electric cooperatives serving members only and municipalities, and wholesale sales of electricity to cooperatives or municipalities.

Missouri - H.B. 91\* (killed in Committee 2/12), would have amended provisions of the Rural Electric Cooperative Act relating to the powers of a cooperative, to authorize wholesale exchange and interchange power arrangements, but prohibiting sale of energy to municipalities in non-rural areas where the requirements are being served exclusively by a regulated utility unless such utility gives its written consent and would have further amended the powers section of the Rural Electric Cooperative Act to eliminate existing provisions which permit the ouster of electric cooperatives from areas annexed to municipalities; provided for a limited authority to continue and extend cooperative service in such areas; and prohibited duplication of service in rural areas rendered by any electric service supplier with enforcement by the courts. The bill also provided that municipalities should have the right to impose reasonable safety requirements and taxes comparable with those collected from other suppliers, and recognized the municipalities' right of eminent domain.

[Note: Subsequently H.B. 454\* was introduced under cooperative sponsorship to amend provisions of Rural Electric Cooperative Act relating to the powers of a cooperative, to authorize cooperative, by contract or agreement, to sell, exchange, interchange, transmit and dispose of electric energy in any areas, including electric energy generated by it, to, with or for any persons for resale; was amended in House 5/7 by adding provisions prohibiting sale of electric energy for resale within a municipality, other than to the municipal or franchised supplier, without the prior consent of the municipality, and prohibiting all such sales if a substantial portion of the electric requirements of the municipality are being supplied at retail or wholesale by a regulated public utility, unless it consents. Cooperatives are reported to oppose bill in this form.]

Montana - S.B. 194\* (passed Senate 2/11 - 38 to 17; killed in House 2/22 - 39 to 53); would have provided for continuance and extension of electric service in annexed areas and restricted duplication of service. [Substantially same as model "Territorial Integrity Act."]

Nebraska - L.B. 483\* (indefinitely postponed on 5/6), would have created the Nebraska Public Power and Irrigation District, to which would have been transferred, effective January 1, 1964, all assets and liabilities of all existing public power districts and public power and irrigation districts operating in fifteen or more counties; on that date the existing districts would have been dissolved.

- L.B. 476\* (indefinitely postponed on 5/6), to avoid duplication of public power facilities, would have provided for establishment of five District Service Areas and for the merger and consolidation in each area, of existing generation and transmission districts into one Wholesale Service Area District. The five Wholesale Service Area Districts could interconnect with each other. Any distribution district, cooperative, or municipality operating at retail would have been permitted to merge its facilities into the Wholesale Service Area District.



- L.B. 600\* (killed on 5/8), would have enacted a new Utilities District Act designed to unify and centralize control of power in Nebraska; provided for the establishment of the Nebraska Public Power Utilities District which would have on and after December 31, 1964, assumed control of the properties of districts which operated electrical facilities in, or singly or jointly operated transmission facilities having voltage of 115 KV or more, in more than fifteen counties, and which was authorized to contract for control of any electric cooperative in the State engaged in operating or interested in facilities for generating or transmitting electric energy at 115 KV or more; limited authority of the new District or its members to serve at retail in cities or villages or their zoning areas; obligated distribution districts and cooperatives which purchase 90% or more of their power from public power districts acquired by the new District to purchase all power and energy requirements and transmission service over 69 KV from the new District with certain exceptions where authorized by the Nebraska Power Review Board (see L.B. 220 - ENACTED, above) ; prohibited acquisition or construction by distribution districts and cooperatives of generation or transmission (over 69 KV) facilities; provided for the ultimate transfer of distribution facilities and transmission lines of less than 115 KV to distribution districts and cooperatives and to cities and villages; and amended existing laws relative to the organization and operation of power districts.

Oregon - H.B. 1342\* (tabled on 4/5), would have amended 1961 law giving Public Utility Commissioner jurisdiction over territorial allocations by excluding areas annexed after allocation from definition of "allocated territory" if city by its charter authority grants franchises to more than one utility; by excluding federal agencies in definition of "utility service."

- H.B. 1605\*, (tabled on 4/5), would have repealed the 1961 territorial allocation law and vacated any order of the Public Utility Commissioner allocating territory.

- H.J.Res. 11\* (tabled on 3/1), would have created a Joint Interim Electric Power Study Committee to study rate actions of the Public Utilities Commissioner, whether areas are better served by giving a monopoly to one utility in a territory, and certain other aspects of the electric utility industry.

South Dakota - H.B. 754\* (died in Senate), would have amended the gross receipts tax law to reflect the revised definition of "rural area" in H.B. 753 as introduced. [Sponsored by cooperatives as a companion to H.B. 753, see "ENACTED" above.]

- H.B. 877, would have provided for holding municipal election to determine whether public, private or cooperative utility may supply electric, gas or water services to the municipality without first being granted a franchise.

- S.B. 141\* (opposed by cooperatives), would have extended Public Utilities Commission jurisdiction over electric, telephone and other utilities, including commercial, municipal and cooperative electric utilities; included provisions prohibiting duplication of facilities to provide electric service to premises already being served without written permission of other utility or order of Commission; and required sale of electric facilities within annexed areas to franchised utility serving the annexing municipality.

Utah - S.B. 60\* (killed in Senate 3/1, after being adversely amended), as introduced under cooperative sponsorship, substantially in the form of the model "Territorial Integrity Act," would have prohibited duplication of service by electric suppliers to premises already receiving service or the construction of extensions to unserved premises located within 1,000 feet of a distribution line of another supplier, and provided for continuance and extension of service in annexed areas. On February 20, the Senate voted to amend S.B. 60 by deleting above provisions, substituting provisions submitted by the cooperatives amending public utility law to make cooperative associations subject to jurisdiction of Public Service Commission, and prohibiting duplication of electric service, and requiring the issuances of certificates of convenience and necessity covering territory served ("grandfather clause"). The bill was tabled on 2/25, after being further amended in the Senate to strike out provisions prohibiting duplication of service and requiring the issuance of "grandfather clause" certificate and to insert language requiring Public Service Commission, in connection with the issuance of certificates of convenience and necessity, to review financing plans for electrical corporations, including consideration of debt-equity ratio, and give weight to the relative sales and income taxes which would be paid by the applicant.

PENDING

F  
Illinois - S.B. 1084 (introduced 5/21 under cooperative sponsorship), provides for the arbitration of disputes concerning adequacy of service; authorizes the continuance and extension of electric service in territory annexed to cities but subjects supplier to same taxes, regulations, fees and charges as franchised supplier; prohibits duplication of existing service; and provides that unserved premises within 1,000 feet of an existing distribution line shall serve same except where another supplier is closer.

6/11  
6/11  
- H.B. 1189\* (reported out of House Public Utilities Committee on 5/22), amends public utilities act to make rural electric cooperatives generally subject to the jurisdiction of the Illinois Commerce Commission with some exceptions such as regulation of security issues, REA mortgages, capital impairment provisions, Commission charges on public utility stock issues and certain rate matters. Section 55, requiring utilities to secure certificates of public convenience and necessity, is amended to prohibit any utility from serving customers already served or any service location which has been served in the preceding 24 months and which has facilities in place adequate to provide service except upon a Commission finding of inadequacy. Requires that rural electric cooperatives be granted certificates of convenience and necessity with respect to facilities, construction of which was commenced or completed prior to effective date of this act ("grandfather clause"). If two or more public utilities, both certified to the same area compete for service, the Commission is authorized to determine which shall serve on the basis of convenience and necessity giving substantial weight to utility having facilities which are adequate and closest to the proposed point of delivery.

E  
Nebraska - L.B. 82\*, revises and re-enacts law relating to the State Railway Commission and regulation of utilities, including electric and telephone systems.



*passed from committee 6/4/63 - Conf. report S. 6/20*  
North Carolina - H.B. 426\* (sponsored by cooperatives and reported out of House Public Utilities Committee), amends Electric Membership Corporation Act by adding provisions defining "rural section" to exclude municipalities having population in excess of 2,500; authorizing cooperative service in such municipalities without franchise for a 6-year period, subject however to immediate takeover by a municipal utility, and takeover after 6 years by the franchised utility serving the municipality, and providing a formula for compensation and authorizing exchange of facilities; and providing for special legislative study commission to study cooperative taxation.

- H.B. 816\* (sponsored by cooperatives, introduced 5/7 and referred to subcommittee of House Public Utilities Committee), prohibits duplication of electric facilities and service. No electric supplier, unless written agreement is secured from affected supplier, shall construct distribution line or provide service (1) to premises being served by another supplier, (2) inside incorporated municipality to unserved premises closer to another supplier's then-existing line, or (3) outside an incorporated municipality to unserved premises within 1,000 feet of which another supplier has had a distribution line in place longer than it has, but permitting supplier to serve unserved premises located within 1,000 feet of its lines and closer thereto than any other supplier's line as such lines existed on effective date of act and without regard to which such line has been in place longer. Municipal utilities may construct lines and furnish service to any premises within municipality. Suppliers may construct facilities to serve own property, interconnect electric system and furnish service to another supplier for resale, but such facilities may not be used to serve premises which could not have been served if such facilities had not been constructed. Utilities Commission is given authority, after notice and hearing, to order public utility subject to its regulation to construct or cease and desist from constructing facilities, or furnish or discontinue service to specific premises, upon finding that public convenience and necessity so require, but Commission is not authorized to order such construction or service within a municipality where electric supplier is not otherwise authorized to serve. Distribution line defined to mean an electric line operated at not in excess of 25,000 volts, and proximity of distribution line to any premises determined by the airline distance between the two closest points.

- H.B. 909\* (sponsored by League of Municipalities and agreed to by cooperatives, introduced on 5/13, and referred to subcommittee of House Public Utilities Committee), amends Sec. 160-2, par. 6, General Statutes, relating to powers of municipal corporations to provide utility services or grant franchises for such services, by authorizing municipality to acquire, upon payment of just compensation, utility facilities in newly annexed areas, or facilities of supplier serving in municipality without franchise or upon expiration of franchise. In areas annexed to a municipality which does not elect to provide utility services, the municipality may grant a franchise to supplier already furnishing service in annexed area or direct that supplier remove his facilities or transfer them for just compensation to the franchised supplier. When utility service within municipal limits is furnished by suppliers not subject to franchise taxes or ad valorem taxes, the supplier shall pay to the municipality in lieu of taxes 3/4 of 1% of gross receipts from sales within the municipality plus amount equal to the ad valorem taxes it would pay if it were subject to taxation.



F  
- S.B. 439\* and H.B. 1030 (introduced on 5/13 and 5/21, respectively, and sponsored by power companies), provide that when any area is incorporated or annexed to an existing city or town, the city or town or the franchised public utility furnishing electric service within such city or town shall have the right at any time, upon payment of just compensation, to acquire the electric facilities of any electric supplier serving the annexed or incorporated area. The Electric Membership Corporation Act is amended (Sec. 117-20, General Statutes) to provide that merchandise and property of an electric membership corporation which lie within the corporate limits of a municipality may be disposed of without the consent of the majority of its members and the holders of 75% of its outstanding bonded indebtedness.

def. intro  
S.B. 120  
- S.B. 444\* and H.B. 1029 (introduced on 5/13 and 5/21, respectively, and sponsored by power companies), amend Electric Membership Corporation Act by adding new Sec. 117-10.1, General Statutes; to define the territory of electric membership corporations and providing when any rural area in which it is furnishing electric service is incorporated or annexed into an incorporated city or town, such city or town or the franchised public utility furnishing electric service shall acquire, upon the payment of just compensation, the facilities of the electric membership corporation within the annexed area. The membership corporation shall have exclusive right to furnish electric service to its members as of the date of enactment, and all farm and residential premises in rural area which can be served by an extension of not more than 300 feet from distribution lines in existence on date of enactment, unless premises can be served by an extension not exceeding 300 feet of the lines of a public utility, or unless Utilities Commission orders such premises to be served by a public utility. If premises can be served by either electric supplier applicant's choice will prevail. No membership corporation shall extend or render service to any premises except as outlined above, unless electric service is not available from public utility which is subject to all taxes levied upon electric utilities and subject to regulation by the Utilities Commission. Sec. 117-20, General Statutes, is amended to provide that merchandise and property of an electric membership corporation which lie within the corporate limits of a municipality may be disposed of without the consent of a majority of its members and the holders of 75% of its outstanding bonded indebtedness. Chap. 117 is further amended to add provisions authorizing transformation of a membership corporation into a corporation organized under the Business Corporation Act (Chap. 55) and providing for the issuance of stock to members on the basis of their membership fee and capital credits. When so organized the Utilities Commission is directed to fix the corporation's service area (which may include premises served and unserved contiguous territory, and exchange of comparable customers and necessary facilities of another utility) and issue a franchise certificate.

Conf. Rep.  
S.B. 116  
6/29/63  
Chap. 1165  
- S.B. 116\* and H.B. 203\*, rewrite Public Utilities Act, as recommended by the General Statutes Commission; exclude electric or telephone membership corporations from definition of "public utility" but makes requirement of certificate of convenience and necessity applicable thereto; authorize the Commission to fix the "present service area" of all electric and telephone systems and prohibit service outside such areas except upon finding of public convenience and necessity; provide that "investor-owned" electric or telephone companies shall have the right to purchase for "fair value" all of the franchises and assets of electric or telephone membership corporations upon application to and approval by the Commission, subject to a prior right of purchase by a public utility newly organized by a majority of the members of a seller membership corporation.

[Note: Sell-out provisions opposed by cooperatives.]

Pennsylvania - H.B. 538\* (cooperative-sponsored, pending in House Public Utilities Committee), prohibits duplication of existing service and provides for continued service in annexed areas [substantially the model "Territorial Integrity Act"].

- H.B. 746\* (opposed by cooperatives, pending in House Public Utilities Committee), amends Electric Cooperative Corporation Act by re-defining "rural area" to include any area in which electric service cannot be obtained from a municipal or a regulated utility; restating the purpose to be furnishing electric energy to persons in rural areas who cannot obtain electric service from a municipal or a regulated utility, and changing the present exemption from all state taxes upon payment of an annual fee of 10¢ per member to an exemption from corporate net income taxes only upon payment of an annual license fee of \$3.00 per member.

*- passed Senate 5/21, passed H. 6/6/62*  
South Carolina - S. 141\* (as amended in Senate 5/16) amends Sec. 12-1025, Code 1962 (the powers section of the Rural Electric Cooperative Act) to provide that incorporation or annexation of an area served by a cooperative shall, subject to the provisions of Sec. 24-76 (see below), constitute consent for continued service to premises being served and additional premises within such area until directed otherwise by the city or town, but prohibits service elsewhere in the city or town unless it was the principal supplier in the city or town; and that the right of a cooperative to continue to serve a city or town shall not be affected by subsequent population growth beyond 2,500; and for court enforcement for violation of provisions. Adds Sec. 24-76, Code 1962, to give the municipal utility system or franchised electrical utility, with the consent of the governing body of the city or town, the right at any time upon the payment of just compensation to acquire electrical facilities of any other supplier within an annexed area after 10 days written notice to electrical supplier concerned; and establishes procedure for determination of just compensation for properties involved.

[S.141 is reported to have been agreed upon by the cooperatives and power companies.]

- S. 142 (cooperative-sponsored), prohibits duplication of service and facilities by suppliers of electricity (including cooperatives, municipals and power companies), and defines conditions under which a supplier of electric service may extend its services and facilities; no action reported.

- S. 396\* *- passed Senate 5/16*, creates a 9-member committee (3 Senators, 3 Representatives and 3 Governor appointees) to study problems of duplication of electrical services and facilities by electrical suppliers, with report to be made to General Assembly as soon as practicable; referred to Senate Committee on Rural Electrification on 5/16.

- H. 1711 (introduced on 5/8, no action reported), amends provisions of Rural Electric Cooperative Act relating to exemption from control of the Public Service Commission, so as to bring cooperatives under its control for certain purposes.

Texas - S.B. 221\* (cooperative-sponsored, pending in Senate State Affairs Committee), amends various provisions of the Electric Cooperative Corporation Act relating to adoption of bylaws; members qualifications; voting and quorums at meetings; membership certificates; nonprofit operations; amendment of articles; and sale of assets; and also amends the purpose clause of Electric Cooperative



Corporation Act to remove restrictions imposed on cooperative electric service in cities and towns and areas annexed thereto to permit limited extension of service within annexed areas to unserved structures located within 1,500 feet of distribution facilities existing at the time the area became non-rural and subjecting cooperatives to the regulatory authority of the city or town and to payment of gross receipts taxes in the same manner as other electric suppliers.

*E*  
Vermont - S. 30\* (passed Senate amended 5/3), amends §3 of the 1957 anti-duplication law (30 V.S.A. §2808) to modify the prohibition against service by another public utility to persons or property already served by providing that if more than one public utility is available for service the utility whose service facilities are nearest the metering point on premises to be served shall be entitled to serve said premises.

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UNITED STATES DEPARTMENT OF AGRICULTURE  
Rural Electrification Administration

1963 State Legislation Affecting the REA Programs  
Highlights of State Legislative Developments  
Final Report - November 1, 1963

**General.** Of the 47 state legislatures which convened this year in regular and budgetary sessions, 41 have adjourned. The Massachusetts legislature is still in session. The other five, Delaware, New Jersey, Ohio, Rhode Island and Wisconsin, are in recess. In addition the legislatures of fifteen states have met in special session so far this year.

This report shows the final status of bills included in earlier reports and those subsequently introduced.

TERRITORIAL PROTECTION AND COMMISSION REGULATION

Enacted:

**Alaska** - H.B. 228 (approved 4/20, Chap. 95), amends the Alaska Public Service Commission Act to prohibit utility (electric and telephone) operation after January 1, 1964, without a certificate of convenience and necessity; authorizes the issuance of certificates of convenience and necessity to public utilities delineating service areas, with a "grandfather clause" requiring issuance of certificates to utilities actually operating or installing facilities on October 15, 1962; defines public utility to exclude municipal utilities; eliminates exemption of public utilities doing gross annual business of less than \$100,000; and repeals provision that act shall not apply to a utility until legislature has enacted specific legislation.

[Note: H.B. 158 included all of the certificate provisions of H.B. 228 and additional provisions relative to certificates of necessity, prohibiting duplication of telephone and electric service, and other aspects of regulation which are made applicable to municipal, cooperative and commercial utilities. The 1963 session having adjourned, this bill is technically carried over to the 1964 session; however, it may be considered as superseded by H.B. 228, above.]

**Idaho** - S.B. 297 (approved 3/27, Chap. 269, effective 6/1/63), amends the 1957 anti-duplication law by (1) making it applicable to municipal and quasi-municipal corporations, and (2) adding provisions authorizing public utilities and cooperatives to continue and extend electric service in areas incorporated into or annexed to a municipality, and to utilize public areas therefore subject to safety requirements, and further subject to the right of the municipal utility to extend service to the incorporated or annexed area in which case just compensation shall be paid by the municipality; in the case of a cooperative, determined by voluntary agreement, or, in the absence thereof, by the district court after a majority of the voters in the municipality and of the members of the cooperative have approved the transaction, and (3) prohibiting any cooperative or public utility presently having transmission lines within the corporate limits of a municipality engaged in furnishing electric energy to its citizens from making service extensions from such transmission lines within the municipal limits. [S.B. 297, superseded H.B. 315, the bill originally sponsored by the cooperatives which would have amended the 1957 anti-duplication law by



adding (1) a definition of "public utility" so as to cover all suppliers of electric energy, including municipalities, whether or not regulated by the Public Utilities Commission, and (2) provision for continuation of electric service, in areas incorporated into or annexed to municipalities.]

Iowa - S.F. 11 (H.F. 81), approved 4/19, enlarges jurisdiction of State Commerce Commission to include regulation of rates and services of public utilities furnishing gas, electricity or communications service to the public for compensation; exempts from rate regulation municipal utilities, cooperative corporations or associations, mutual telephone companies in which 50% of the users are owners, and telephone companies with less than 2,000 stations except those with facilities crossing state lines which elect to have their rates regulated. Before final passage, S.F. 11 was amended to provide that utility service in annexed areas shall be provided by the public or municipal utility serving within the corporate boundaries of the city or town, and requiring it to purchase the facilities of an unfranchised utility serving the annexed area at the end of six years after date of annexation or exchange run facilities therefor; prohibits extension within annexed area if the Commerce Commission determines such extension is not in public interest; exempts generation and transmission facilities in annexed area and unfranchised public utilities which acquire franchise within the six-year period. As amended, S.F. 11 also includes prohibitions against service to consumers already served and to prospective consumers located closer to the facilities of another utility except where the commission, after notice and hearing and consideration of the consumer's preference, finds that service from the other utility is in the public interest. Generating facilities are specifically exempted from the Commission's jurisdiction.

[Note: H.F. 302, sponsored by Iowa League of Municipalities and supported by cooperatives, died in Committee, would have extended authority of State Commerce Commission to regulate rates and services of public utilities providing electric, gas, water and telephone service to the public for compensation; exempted from rate regulation municipal utilities; cooperative corporations or associations and mutual telephone companies where at least 50% of the users are owners; included provisions regarding utility services in areas annexed to cities and towns to require that in cases where municipal utility service is available it shall serve annexed area after payment for property of utility formerly providing service, and where annexed area is served by utility not having franchise, utility shall be permitted to continue service in such area for ten years provided it agrees to abide by terms of franchise of other utility, and authorized purchase of property by franchised utility after finding by commission; and prohibited duplication of service furnished by a utility certified to serve the same area.]

Nebraska - L.B. 220, as amended (approved and effective 5/16), creates a five member Nebraska Power Review Board within the Department of Water Resources, to be appointed by the Governor for four-year staggered terms with provision for ineligibility of any person affiliated with an electric utility within four years preceding appointment. Authorizes all retail electric suppliers to enter agreements specifying their service areas, subject to Board approval. Where no such agreements are filed, Board may, on application of a supplier or on its motion, after notice and hearing establish and modify service areas, except for service within the corporate limits of a municipality, applying specified criteria. Gives municipal utility superior right to serve consumer



in zoning areas outside corporate limits except those already served by other suppliers whose facilities in such zoning areas may be acquired by the municipal by negotiation. Directs the inclusion in municipal service area, as a maximum, such zoning areas and territory beyond, including not more than one-half mile on each side of existing municipal lines presently used to serve existing customers, but excluding customers served by other suppliers. Service to new customers locating in such half-mile zones to be determined by Board in case of disagreement. Prohibits service or line construction outside established service areas except by agreement or approval of Board to be determined on basis of adequacy of service and prevention of duplication. Gives municipal supplier preference to acquire and serve consumers in zoning areas annexed to municipality. Requires Board approval for construction of new generating facilities, or transmission lines or related facilities carrying more than 700 volts, except for transmission lines within the supplier's service area or less than one-half mile outside same if other supplier consents, and except for municipal's lines within its corporate limits and zoning area, or any generating facility or transmission lines connecting same with the municipal service area in its county. Requires suppliers to serve all applicants in service areas with any disagreement as to terms of service to be settled by Board. Rate disputes between suppliers for service between them to be settled by Board. Provides for court enforcement of Board orders and provides for pro rata assessments against electric suppliers to defray expenses of the Board. Secs. 70-649 and 70-657, Reissue Revised Statutes, 1943, are amended to authorize power districts to exchange distribution facilities, having a rating of less than 15,000 volts, with a net cash differential not exceeding \$10,000, with rural electric membership corporations to carry out territory agreements.

Nebraska - L.B. 82 (approved 7/12), revises and re-enacts law relating to the organization and operation of the State Railway Commission and the regulation of utilities, including electric transmission lines and telephone systems.

Nevada - S.B. 258 (approved and effective 4/26, Chap. 424), subjects cooperatives serving members only to jurisdiction of Public Service Commission with respect to territory only (certificates of convenience and necessity with "grandfather clause" to cover territory being served) and cooperatives serving non-members to complete Commission regulation; allows cooperatives acquiring certificate and property of public utility six-month period to enroll acquired customers as cooperative members; amends certificate section of public utility law to authorize public utility to complain to Commission over construction or extension of facilities by another utility interfering with its operations; authorizes Commission, on a finding of duplication, to assign territory by certificate, define conditions of service, and order elimination of duplication; and provides for imposition of annual assessment on intrastate operations of public utilities to defray the cost of Commission operations. (S.B. 258 was cooperative-sponsored.)

North Carolina - Sub. S.B. 116 (ratified 6/24, Chap. 1165), rewrites Public Utilities Act providing for regulation of public utilities by the North Carolina Utilities Commission; exclude electric or telephone membership corporations from definition of "public utility."

[Note: As originally introduced bill, which was opposed by the cooperatives,



followed recommendations of General Statutes Commission and contained provisions for regulation of cooperative and municipal electric systems and generating facilities, fixing service areas for all electric and telephone systems, and provided for purchase, by "investor-owned" electric or telephone companies, of the franchises and assets of electric or telephone membership corporations upon application to and approval by the Utilities Commission, subject to a prior right of purchase by a public utility newly organized by a majority of the members of a seller membership corporation.]

Oklahoma - H.Con.Res. 525 (adopted 4/3), commends public service corporations and rural electric cooperatives for contribution to Oklahoma economy and for complying with existing legislation dealing with service and their relationships with each other.

South Carolina - S. 141 (approved 6/6), amends Sec. 12-1025, Code 1962 (the powers section of the Rural Electric Cooperative Act) to provide that incorporation or annexation of an area served by a cooperative shall, subject to the provisions of Sec. 24-76 (see below), constitute consent for continued service to premises being served and additional premises within such area until directed otherwise by the city or town, but prohibits service elsewhere in the city or town unless it was the principal supplier in the city or town; and that the right of a cooperative to continue to serve a city or town shall not be affected by subsequent population growth beyond 2,500; and for court enforcement for violation of provisions. Adds Sec. 24-76, Code 1962, to give the municipal utility system or franchised electrical utility, with the consent of the governing body of the city or town, the right at any time upon the payment of just compensation to acquire electrical facilities of any other supplier within an annexed area after 10 days written notice to electrical supplier concerned; and establishes procedure for determination of just compensation for properties involved.

[S. 141 is reported to have been agreed upon by the cooperatives and power companies.]

South Dakota - H.B. 753 (approved 3/18, Chap. 33, with amendments opposed by the cooperatives), amends the Electric Cooperative Law relating to the definition of "rural area" to provide that it shall continue to include areas which become as a result of incorporation, population growth or otherwise a city or town having a population in excess of 1500; and provides where a city or town extends its boundaries by annexation, the municipal or other utility providing service to the majority of customers in the city or town shall have the right to acquire the electric property and facilities within the annexed area upon payment of fair and reasonable value for such property plus severance damages, the amount to be fixed by negotiation or by action of a board of arbitration, and permits acquisition of such property by eminent domain if purchase is not completed within 60 days from time of annexation.

Vermont - S. 30 (approved 6/6, Public Act 133), amends §3 of the 1957 anti-duplication law (30 V.S.A. §2808) to modify the prohibition against service by another public utility to persons or property already served by providing that if more than one public utility is available for service the utility whose service facilities are nearest the metering point on premises to be served shall be entitled to serve said premises and provides that this amendment shall not apply to cases now before the Public Service Board or the courts.

Failed

Illinois - S.B. 1084 (killed in committee), introduced under cooperative sponsorship would have provided for arbitration of disputes concerning adequacy of service; authorized the continuance and extension of electric service in territory annexed to cities but subjected supplier to same taxes, regulations, fees and charges as franchised supplier; prohibited duplication of existing service; and provided that unserved premises within 1,000 feet of an existing distribution line shall be served from such line except where another supplier is closer.

- H.B. 1189 (died in House), opposed by cooperatives, would have amended public utilities act to make rural electric cooperatives generally subject to the jurisdiction of the Illinois Commerce Commission with some exceptions such as regulation of security issues, REA mortgages, capital impairment provisions, Commission charges on public utility stock issues and certain rate matters. Section 55, requiring utilities to secure certificates of public convenience and necessity, would have been amended to prohibit any utility from serving customers already served or any service location which has been served in the preceding 24 months and which has facilities in place adequate to provide service except upon a Commission finding of inadequacy. The bill would have required rural electric cooperatives be granted certificates of convenience and necessity with respect to facilities, construction of which was commenced or completed prior to effective date of act ("grandfather clause"). If two or more public utilities, both certified to the same area competed for service, the Commission would have been authorized to determine which should serve on the basis of convenience and necessity giving substantial weight to utility having facilities which were adequate and closest to the proposed point of delivery.

Minnesota - S.F. 859 and H.F. 1148 (died in Committee) would have provided for regulation of electric service by the Railroad and Warehouse Commission; specifically exempted electric cooperatives serving members only and municipalities, and wholesale sales of electricity to cooperatives or municipalities.

Missouri - H.B. 91 (killed in Committee 2/12), introduced under cooperative sponsorship, would have amended provisions of the Rural Electric Cooperative Act relating to the powers of a cooperative, to authorize wholesale exchange and interchange power arrangements, but prohibiting sale of energy to municipalities in non-rural areas where the requirements are being served exclusively by a regulated utility unless such utility gives its written consent and would have further amended the powers section of the Rural Electric Cooperative Act to eliminate existing provisions which permit the ouster of electric cooperatives from areas annexed to municipalities; provided for a limited authority to continue and extend cooperative service in such areas; and prohibited duplication of service in rural areas rendered by any electric service supplier with enforcement by the courts. The bill also provided that municipalities should have the right to impose reasonable safety requirements and taxes comparable with those collected from other suppliers, and recognized the municipalities' right of eminent domain.



- H.B. 454 (died in House), introduced under cooperative sponsorship after failure of H.B. 91, would have amended provisions of Rural Electric Cooperative Act relating to the powers of a cooperative, to authorize cooperative, by contract or agreement, to sell, exchange, interchange, transmit and dispose of electric energy in any areas, including electric energy generated by it, to, with or for any persons for resale; was amended in House 5/7 by adding provisions prohibiting sale of electric energy for resale within a municipality, other than to the municipal or franchised supplier, without prior consent of the municipality, and prohibiting all such sales if a substantial portion of the electric requirements of the municipality are being supplied at retail or wholesale by a regulated public utility, unless it consents. [Cooperatives opposed bill as amended.]

Montana - S.B. 194 (passed Senate 2/11 - 38 to 17; killed in House 2/22 - 39 to 53), cooperative-sponsored, would have provided for continuance and extension of electric service in annexed areas and restricted duplication of service [Substantially same as model "Territorial Integrity Act."]

Nebraska - L.B. 483 (indefinitely postponed 5/6), would have created the Nebraska Public Power and Irrigation District, to which would have been transferred, effective January 1, 1964, all assets and liabilities of all existing public power districts and public power and irrigation districts operating in fifteen or more counties; on that date the existing districts would have been dissolved.

- L.B. 476 (indefinitely postponed 5/6), to avoid duplication of public power facilities, would have provided for establishment of five District Service Areas and for the merger and consolidation in each area, of existing generation and transmission districts into one Wholesale Service Area District. The five Wholesale Service Area Districts could interconnect with each other. Any distribution district, cooperative, or municipality operating at retail would have been permitted to merge its facilities into the Wholesale Service Area District.

- L.B. 600 (killed on 5/8), would have enacted a new Utilities District Act designed to unify and centralize control of power in Nebraska; provided for the establishment of the Nebraska Public Power Utilities District which would have on and after December 31, 1964, assumed control of the properties of districts which operated electrical facilities in, or singly or jointly operated transmission facilities having voltage of 115 KV or more, in more than fifteen counties, and which was authorized to contract for control of any electric cooperative in the State engaged in operating or interested in facilities for generating or transmitting electric energy at 115 KV or more; limited authority of the new District or its members to serve at retail in cities or villages or their zoning areas; obligated distribution districts and cooperatives which purchase 90% or more of their power from public power districts acquired by the new District to purchase all power and energy requirements and transmission service over 69KV from the new District with certain exceptions where authorized by the Nebraska Power Review Board (see L.B. 220 - ENACTED, above); prohibited acquisition or construction by distribution districts and cooperatives of generation or transmission (over 69 KV) facilities; provided for the ultimate transfer of distribution facilities and transmission lines of less than 115 KV to distribution districts and cooperatives and to cities and villages; and amended existing laws relative to the organization and operation of power districts.



North Carolina - H.B. 426 (passed House as amended 6/4; reported unfavorably in Senate 6/20), sponsored by cooperatives, would have amended Electric Membership Corporation Act by adding provisions defining "rural section" to exclude municipalities having population in excess of 2,500; authorizing cooperative service in such municipalities without franchise for a 6-year period, subject however to immediate takeover by a municipal utility, and takeover after 6 years by the franchised utility serving the municipality, and providing a formula for compensation and authorizing exchange of facilities; and providing for special legislative study commission to study cooperative taxation.

- H.B. 816 (killed in House Committee), sponsored by cooperatives, would have prohibited duplication of electric facilities and service. No electric supplier, unless written agreement was secured from affected supplier, could construct distribution line or provide service (1) to premises being served by another supplier, (2) inside incorporated municipality to unserved premises closer to another supplier's then-existing line, or (3) outside an incorporated municipality to unserved premises within 1,000 feet of which another supplier has had a distribution line in place longer than it has, but permitting supplier to serve unserved premises located within 1,000 feet of its lines and closer thereto than any other supplier's line as such lines existed on effective date of act and without regard to which such line has been in place longer. Municipal utilities could construct lines and furnish service to any premises within municipality. Suppliers could construct facilities to serve own property, interconnect electric system and furnish service to another supplier for resale, but such facilities could not be used to serve premises which could not have been served if such facilities had not been constructed. Utilities Commission would have been given authority, after notice and hearing, to order public utility subject to its regulation to construct or cease and desist from constructing facilities, or furnish or discontinue service to specific premises, upon finding that public convenience and necessity so require, but Commission not authorized to order such construction or service within a municipality where electric supplier was not otherwise authorized to serve. Distribution line defined to mean an electric line operated at not in excess of 25,000 volts, and proximity of distribution line to any premises determined by the airline distance between the two closest points.

- H.B. 909 (died in House), sponsored by League of Municipalities and agreed to by cooperatives, would have amended Sec. 160-2, par. 6, General Statutes, relating to powers of municipal corporations to provide utility services or grant franchises for such services, by authorizing municipality to acquire, upon payment of just compensation, utility facilities in newly annexed areas, or facilities of supplier serving in municipality without franchise or upon expiration of franchise. In areas annexed to a municipality which did not elect to provide utility services, the municipality could grant a franchise to supplier already furnishing service in annexed area or direct that supplier remove his facilities or transfer them for just compensation to the franchised supplier. When utility service within municipal limits was furnished by suppliers not subject to franchise taxes or ad valorem taxes, the supplier was to pay to the municipality in lieu of taxes  $\frac{3}{4}$  of 1% of gross receipts from sales within the municipality plus amount equal to the ad valorem taxes it would pay if it were subject to taxation.

- S.B. 439 and H.B. 1030 (died in Senate and House, respectively, sponsored by power companies), would have provided that when any area was incorporated or annexed to an existing city or town, the city or town or the franchised public utility furnishing electric service within such city or town should have the right at any time, upon payment of just compensation, to acquire the electric facilities of any electric supplier serving the annexed or incorporated area. The Electric Membership Corporation Act would have been amended (Sec. 117-20, General Statutes) to provide that merchandise and property of an electric membership corporation which lie within the corporate limits of a municipality could be disposed of without the consent of the majority of its members and the holders of 75% of its outstanding bonded indebtedness.

- S.B. 444 and H.B. 1029 (died in Senate and House, respectively, sponsored by power companies), would have amended Electric Membership Corporation Act by adding new Sec. 117-10.1, General Statutes; to define the territory of electric membership corporations and providing when any rural area in which it is furnishing electric service is incorporated or annexed into an incorporated city or town, such city or town or the franchised public utility furnishing electric service shall acquire, upon the payment of just compensation, the facilities of the electric membership corporation within the annexed area. The membership corporation would have exclusive right to furnish electric service to its members, as of the date of enactment, and all farm and residential premises in rural areas which could be served by an extension of not more than 300 feet from distribution lines in existence on date of enactment, unless premises could be served by an extension not exceeding 300 feet of the lines of a public utility, or unless Utilities Commission ordered such premises to be served by a public utility. If premises could be served by either electric supplier applicant's choice would prevail. No membership corporation could extend or render service to any premises, except as outlined above, unless electric service was not available from public utility which was subject to all taxes levied upon electric utilities and subject to regulation by the Utilities Commission. Sec. 117-20, General Statutes, would have been amended to provide that merchandise and property of an electric membership corporation which lie within the corporate limits of a municipality might be disposed of without the consent of a majority of its members and the holders of 75% of its outstanding bonded indebtedness. Chap. 117 would have been further amended to add provisions authorizing transformation of a membership corporation into a corporation organized under the Business Corporation Act (Chap. 55) and providing for the issuance of stock to members on the basis of their membership fee and capital credits. When so organized the Utilities Commission would have been directed to fix the corporation's service area (which could include premises served and unserved contiguous territory, and exchange of comparable customers and necessary facilities of another utility) and issue a franchise certificate.

Oregon - H.B. 1342 (tabled in House 4/5), would have amended 1961 law giving Public Utility Commissioner jurisdiction over territorial allocations by excluding areas annexed after allocation from definition of "allocated territory" if city by its charter authority grants franchises to more than one utility; by excluding federal agencies in definition of "utility service."

- H.B. 1605 (tabled in House 4/5), would have repealed the 1961 territorial allocation law and vacated any order of the Public Utility Commissioner allocating territory.



- H.J.Res. 11 (tabled in House 3/1), would have created a Joint Interim Electric Power Study Committee to study rate actions of the Public Utilities Commissioner, whether areas are better served by giving a monopoly to one utility in a territory, and certain other aspects of the electric utility industry.

Pennsylvania - H.B. 538 (died in House), sponsored by cooperatives, would have prohibited duplication of existing service and provided for continued service in annexed areas [substantially the model "Territorial Integrity Act"].

- H.B. 746 (died in House), opposed by cooperatives, would have amended Electric Cooperative Corporation Act by re-defining "rural area" to include any area in which electric service cannot be obtained from a municipal or a regulated utility; restated the purpose to be furnishing electric energy to persons in rural areas who cannot obtain electric service from a municipal or a regulated utility, and changed the present exemption from all state taxes upon payment of an annual fee of 10¢ per member to an exemption from corporate net income taxes only upon payment of an annual license fee of \$3.00 per member.

South Carolina - S. 142 (cooperative-sponsored), prohibits duplication of service and facilities by suppliers of electricity (including cooperatives, municipals and power companies), and defines conditions under which a supplier of electric service may extend its services and facilities; no action reported.

- S. 396 (passed Senate on 5/30), creates a 9-member committee (3 Senators, 3 Representatives and 3 Governor appointees) to study problems of duplication of electrical services and facilities by electrical suppliers, with report to be made to General Assembly as soon as practicable.

- H. 1711, amends provisions of Rural Electric Cooperative Act relating to exemption from control of the Public Service Commission, so as to bring cooperatives under its control for certain purposes.

[Note: The South Carolina bills listed above were pending in Committee when the first annual session of the legislature adjourned. These bills are carried over to the 1964 session, but may not be considered further in view of enactment of S. 141, see "Enacted" above.]

South Dakota - H.B. 754 (died in Senate), would have amended the electric cooperative gross receipts tax law to reflect the revised definition of "rural area" in H.B. 753, as introduced. [Sponsored by cooperatives as a companion to H.B. 753, see "Enacted" above.]

- H.B. 877 (died in House), would have provided for holding municipal election to determine whether public, private or cooperative utility may supply electric, gas or water services to the municipality without first being granted a franchise.

- S.B. 141 (died in Senate), opposed by cooperatives, would have extended Public Utilities Commission jurisdiction over electric, telephone and other utilities, including commercial, municipal and cooperative electric utilities; included provisions prohibiting duplication of facilities to provide electric service to premises already being served without written permission of other utility or order of Commission; and required sale of electric facilities within annexed areas to franchised utility serving the annexing municipality.



Texas - S.B. 221 (died in Senate), cooperative-sponsored, would have amended various provisions of the Electric Cooperative Corporation Act relating to adoption of bylaws; members qualifications; voting and quorums at meetings; membership certificates; nonprofit operations; amendment of articles; and sale of assets; and also amended the purpose clause of Electric Cooperative Corporation Act to remove restrictions imposed on cooperative electric service in cities and towns and areas annexed thereto to permit limited extension of service within annexed areas to unserved structures located within 1,500 feet of distribution facilities existing at the time the area became non-rural and subjecting cooperatives to the regulatory authority of the city or town and to payment of gross receipts taxes in the same manner as other electric suppliers.

Utah - S.B. 60 (killed in Senate 3/1, after being adversely amended), as introduced under cooperative sponsorship, substantially in the form of the model "Territorial Integrity Act," would have prohibited duplication of service by electric suppliers to premises already receiving service or the construction of extensions to unserved premises located within 1,000 feet of a distribution line of another supplier, and provided for continuance and extension of service in annexed areas. On February 20, the Senate voted to amend S.B. 60 by deleting above provisions, substituting provisions submitted by the cooperatives amending public utility law to make cooperative associations subject to jurisdiction of Public Service Commission, and prohibiting duplication of electric service, and requiring the issuance of certificates of convenience and necessity covering territory served ("grandfather clause"). The bill was tabled on 2/25, after being further amended in the Senate to strike out provisions prohibiting duplication of service and requiring the issuance of "grandfather clause" certificates; and to insert language requiring Public Service Commission, in connection with the issuance of certificates of convenience and necessity, to review financing plans for electrical corporations, including consideration of debt-equity ratio, and give weight to the relative sales and income taxes which would be paid by the applicant.

Vermont - S. 31 (withdrawn 4/4), would have amended Public Service Board law by adding new section authorizing Board to require electric public utilities to secure certificate of public convenience and necessity for construction which "will materially affect the public interest and involve outlays in excess of \$50,000.00."

## ELECTRIFICATION

### Amendment of Cooperative Enabling Laws

#### Enacted

California - A.B. 1869 (approved 5/22, Chap. 543), amends Public Utility Code, to permit a Public Utility District to borrow from the United States without prior approval of the voters in the District.

South Carolina - S. 141, (see above "Territorial Protection and Commission Regulation").

South Dakota - H.B. 753 (see above "Territorial Protection and Commission Regulation").

#### Failed

Florida - H.B. 1340 (died in House), would have amended Rural Electric Cooperative Law to provide for proxy and absentee voting.

Missouri - H.B. 91 and H.B. 454 (see above "Territorial Protection and Commission Regulation").

New Mexico - S.B. 45 (killed in Senate), would have amended provision of Rural Electric Cooperative Act relating to election of trustees to provide that election be held in a municipality which is near geographic center of service area; to prescribe hours in which polls shall be open, and to require that trustees be elected by majority vote of members voting.

North Carolina - H.B. 426 (see above "Territorial Protection and Commission Regulation").

Oklahoma - H.B. 779 (killed in House), would have amended Rural Electric Cooperative Act by eliminating requirement of membership authorization for acquisition of cooperative property by the United States or certain other public bodies for public purposes.

Pennsylvania - H.B. 746 (see above "Territorial Protection and Commission Regulation"; also under "Taxation").

South Carolina - H. 1711 (see above "Territorial Protection and Commission Regulation").

Texas - S.B. 221 (see above "Territorial Protection and Commission Regulation").

### Power Supply and Electric Lines

#### Enacted

Alaska - S.Res. 4, urges Congress to appropriate funds for construction of Crater-Long Lakes division of Snettisham hydroelectric project and Bradley Lake hydroelectric power project.



- S.Res. 60 and S.J.Res. 33, urge Federal agencies to speed completion of studies of Yukon River and Rampart Dam hydroelectric project and request Congress to appropriate sufficient funds for this purpose.

- S.B. 123 (approved 4/20, Chap. 87), creates Rampart Dam Development Committee, and establishes its powers and duties.

Arkansas - S.Res. 8 (adopted 3/6), and H.Res. 26 (adopted 2/27), encourage commercial power companies and electric cooperatives to produce and make available the maximum amount of electric energy whenever and wherever possible

- H.B. 330 (approved 3/4, Act 148), prescribes safety precautions with respect to high voltage lines.

California - A.C.Res. 16 (adopted, Res. Chap. 54) requests the Department of Water Resources to investigate and report to Legislature not later than 2/15/64 means of disposing of hydroelectric power generated at Oroville Dam.

- S.B. 643 (approved), amends provisions of Public Resources Code relating to the maintenance of electrical transmission and distribution lines in hazardous fire areas.

Georgia - S.Res. 15, endorses construction of a multiple purpose project at Trotters Shoals site on the Savannah River.

Idaho - S.B. 265 (approved, Chap. 310), ratifies Columbia Interstate Compact.

Iowa - S.F. 254 (H.F. 361) approved, amends Chapter 489, Code of Iowa, to clarify the authority of the boards of supervisors and the State Commerce Commission to authorize eminent domain for electric transmission lines.

Maine - S.B. 129 (adopted), memorializes Congress to fully develop power potential of Passamaquoddy.

Montana - S.B. 41 (approved 3/7, Chap. 196), ratifies Columbia Interstate Compact.

Nebraska - L.Res. 49 (adopted 7/1), directs Legislative Council to appoint a nine-member committee to continue study of public power in Nebraska and report to the next general session of the legislature, with particular emphasis on generation and transmission.

- L.B. 693 (approved 4/22), repeals Sec. 70-302 requiring electric pole lines to be located along or adjacent to property boundary lines, section lines and half-section lines.

North Dakota - S.B. 343 (approved) authorizes state to issue general obligation bonds and use proceeds to make loans to privately or cooperatively-owned enterprises for facilities to convert North Dakota natural resources into low-cost power.

Ohio - S.B. 130 (approved 7/11, effective 10/10/63), enacts Sec. 4905.65 to establish procedure for local regulation of electric utility lines of 22 KV or more.



Oklahoma - H.B. 967 (approved 5/31), requires certain safety devices to prevent contact with high voltage lines.

Utah - S.B. 214 (approved), ratifies Columbia Interstate Compact.

Wyoming - S.B. 88 (approved 2/16, Chap. 110), ratifies Columbia Interstate Compact.

- H.B. 17 (approved 2/9, Chap. 47), provides for the issuance of revenue bonds by Irrigation and Public Power Districts.

- H.B. 18 (approved 2/9, Chap. 48), authorizes Irrigation districts to have and exercise all of the powers of a Public Power District.

- H.B. 19 (approved 2/9, Chap. 49), authorizes Irrigation districts power projects to develop hydroelectric energy.

#### Failed

Alaska - H.C.Res. 38, would have directed Legislative Council to compile all studies, beneficial and adverse, on the effects of the proposed Rampart Dam project on Alaska's mineral, wildlife and human resources.

California - A.B. 634, would have established policy on sale of electric power from projects under control of Department of Water Resources which is authorized to construct and acquire transmission lines; required preference to public bodies and cooperatives.

- A.B. 1625, would have established policy on sale of electric power generated at state water resources development projects, requiring consideration of all factors, including benefits from encouraging most widespread use of power at lowest possible rates.

- S.B. 1299, would have permitted a public agency to contract to furnish services to a regulated public utility engaged in the sale and distribution of electric energy of water.

- A.B. 2783, would have made it a misdemeanor for an employer to require or permit an employee to work near high voltage lines unless prescribed safeguards have been taken.

Maine - S.B. 301, would have created Maine Power Authority.

- S.B. 395, related to the right of electric power companies to take lands for lines by right of eminent domain.

Missouri - H.B. 473, would have regulated construction and reconstruction of electric power lines and authorized Public Service Commission to adopt rules and regulations for administration of act.

Nebraska - L.B. 481, would have authorized two or more districts engaged in generation and transmission of energy at wholesale which own facilities jointly, to agree upon division and separation of ownership, subject to approval of Department of Water Resources.

- L.Res. 13, would have urged that easements for rural electric lines over public lands be granted for nominal or minimum consideration.

Oregon - H.B. 1633, would have created Oregon Power Development Commission, with authority to acquire and dispose of electric energy, with preference to public bodies and cooperatives.

- S.B. 209, would have ratified Columbia Interstate Compact.

- H.J.Mem. 5, would have memorialized Congress to appropriate funds for construction of a Federal power transmission line connecting the Northwest and Southwest.

Washington - S.B. 207, and H.B. 43, would have ratified Columbia Interstate Compact.

- S.B. 602, would have repealed public posting requirement in connection with requests for placement of transmission lines.

Wisconsin - A.432, related to crossing of railroad rights-of-way by electric wires.

### Electrical Licensing and/or Inspection

#### Enacted

Colorado - H.B. 245 (approved), amends §115-4-6, Col. Rev. Stats., to adopt Sixth in place of Fifth edition of National Electrical Safety Code, and to delete special provisions for clearance of lines where voltage does not exceed 20,000 volts.

Michigan - H.B. 161 (approved), amends Electrical Administrative Act to expand definition of "electrical wiring"; define "electrical supervisor"; and change references from the 1959 to the 1962 edition of the National Electrical Code.

Missouri - H.B. 422 (approved 7/5), amends Sec. 64.170 RSMo. 1959 to extend to 2nd class counties provisions presently authorizing 1st class counties to regulate building construction, including electrical wiring and installations, and to license electrical contractors.

Minnesota - S.F. 569 (approved 3/19, Chap. 136), extends to 1965 provisions for licensing temporary Class C electricians.

New Mexico - H.B. 160 (approved 3/20, Chap. 206), increases membership of electrical administrative board.

Oregon - H.B. 1429 (approved 4/19, Chap. 151), amends provisions of Electrical Safety Law dealing with electrical apprentice's license, and with licensing on the basis of experience or training.

South Dakota - H.B. 584 (approved), establishes a State Electrical Board and provides for regulation of electrical installations.

- H.B. 822 (approved), repeals law (31.04B) dealing with electrical standards and financial responsibility of contractors.

Washington - S.B. 370 (H.B. 594) (approved 3/27, Chap. 207), creates an electrical advisory board and amends law regulating electricians and electrical installations.

Wyoming - H.B. 58 (approved 2/14, Chap. 75, effective 7/1/63), creates State Electrical Board and provides for licensing of electrical contractors and electricians.



Failed

Arkansas - H.B. 385, would have created State Board of Electricity and provided for licensing of electricians and inspection of electrical installations.

Colorado - H.B. 136, would have amended electrical licensing law by establishing July 1962 National Electrical Code (Pub. #70) as minimum standard, and adding provisions for inspection.

Maine - H.B. 380, would have revised electrician licensing law.

- H.B. 664, provided for examination fee and increased renewal fee for electricians licenses.

Michigan - H.B. 162, would amended Electrical Administrative Act by raising license fees; provided for the adoption by municipalities of the state board's licensing; prohibited electrical wiring in cities, villages or townships of less than 5,000 population except by licensees; and provided procedure for suspension of licenses.

Minnesota - H.F. 1462, would have restricted authority of State Board of Electricity in adopting regulations to that conferred by statute dealing with inspection of electrical installations.

- H.F. 1463 and S.F. 1473, would have abolished State Board of Electricity and transferred its powers, duties and employees to the Industrial Commission; created advisory commission; and adopted the 1962 National Electrical Code as the minimum standard for electrical work.

New Hampshire - H.B. 32, would have given State Board of Fire Control duty to supervise electrical wiring and installations; provided for appointment of chief electrical inspector; and exempted electric wiring on public utilities equipment if installed and maintained in accordance with National Electrical Code.

New Mexico - H.B. 161, would have amended electrical contractor licensing law to provide for the examination and licensing of journeymen electricians.

North Dakota - H.B. 657, related to state electrical board and licensing of electricians.

Ohio - S.B. 17, would have provided for licensing of inspectors of electrical installations.

Oregon - H.B. 1402, would have amended Electrical Safety Law with respect to limited licenses issued thereunder.

Washington - S.B. 454, would have repealed electrical construction code.

Pending

Alaska - H.B. 91 (carried over to 1964 session), prohibits bidding on electrical contract by person not licensed by electrical board.



Atomic Energy - Radiation Regulation

Enacted

California - A.B. 947 (approved 5/16, Chap. 440), revises make-up of Departmental Coordinating Committee on Atomic Energy Development and Radiation Protection.

- A.B. 949 (approved 7/7, Chap. 1254), authorizes seizure of object contaminated with radioactive materials.

- A.B. 1595 (approved 7/9, Chap. 1342), increases membership of Advisory Council on Atomic Energy Development and Radiation Development.

Florida - H.B. 215 (law without approval 6/17, Chap. 63-474), creates Florida Nuclear and Space Commission.

Illinois - S.B. 832, creates Legislative Commission on Atomic Energy.

Kansas - S.B. 317 (approved), enacts the nuclear energy development and radiation control act.

Missouri - S.B. 321 (approved), provides for delegate to Southern Interstate Nuclear Board.

- S.B. 322 (approved), creates Committee on Radiation Control.

Nebraska - L.B. 19 (approved 5/2), enacts Radiation Control Act.

Nevada - A.B. 495 (passed Assembly 4/2 and Senate 4/5), designates State Board of Health as the State Radiation Control Agency.

New Hampshire - H.B. 597 (approved), establishes state radiation control program.

North Carolina - S.B. 530 (ratified 6/26, Chap. 1211), provides for licensing of nuclear materials by State Board of Health and authorizes Board to promulgate regulations for control of radioactivity.

Ohio - H.B. 10 (approved 6/24), empowers Governor to establish working relationship with Federal government regarding peaceful uses of atomic energy.

Wisconsin - S. 443 (approved), authorizes governor, on recommendation of legislative council, to enter into agreements with the Federal government for state assumption of responsibility with respect to sources of ionizing radiation.

Failed

Alabama - S.B. 40 (H.B. 52) would have provided for cooperation by the State of Alabama with other Southern states in nuclear development of the South, and made appropriation for that purpose.

- S.B. 55 (H.B. 122), would have established the State Board of Health as the state radiation control agency.

Arizona - S.B. 7, would have created Arizona Atomic Energy Commission.

Nevada - A.B. 478, would have created the Nevada Atomic Energy Commission.

North Carolina - S.B. 120 and H.B. 225, would have ratified the Southern Interstate Nuclear Compact.

Ohio - H.B. 833, would have established Atomic Energy Authority in Department of Commerce.

Oklahoma - H.B. 866, would have ratified the Southern Interstate Nuclear Compact.

Pennsylvania - S.B. 780, would have provided for atomic energy development and radiation control.

Washington - H.B. 561, related to study of utilization of reactors at the Hanford atomic energy works for steam generation of electricity.

West Virginia - H.B. 456, would have provided for participation in the Southern Interstate Nuclear Compact.

- H.B. 457, would have created the West Virginia Nuclear Energy and Space Commission.

Wisconsin - S. 217, would have enacted nuclear facilities liability act.

- S. 247 and S. 444, would have enacted radiation protection act.

#### Pending

Delaware - H.B. 88 ratifies the Southern Interstate Nuclear Compact.

#### Taxation

##### Enacted

Oregon - S.B. 175 (approved 5/15, Chap. 286), exempts people's utility districts from corporation excise tax.

##### Failed

Arizona - S.C.Res. 7, H.C.Res. 8 and H.C.Res. 17, would have amended provisions of Arizona Constitution dealing with tax exemption of power districts.

- H.B. 133, would have amended §42-271, Ariz. Rev. Stat., to restrict tax exemption of property of irrigation, power, electrical, agricultural improvement, drainage and flood control, and public improvement districts to a portion thereof as determined by the amount of electric energy sold or consumed for irrigation pumping within the boundaries of the district.

- H.R. 5, would have created Power District Study Committee of the House of Representatives, to study status of power districts, including their tax exemption.

California - S.C.A. 17, proposed constitutional amendment, would have subjected municipal utility facilities located outside of its boundaries to same taxes as levied on privately owned utilities.

Idaho - H.B. 338, would have repealed §63-105J and 63-106, Idaho Code, to delete tax exemption for property used for generating and delivering electrical energy for irrigation or drainage purposes.

Illinois - S.B. 504, would have removed tax exemption for property of municipal utilities which compete with privately-owned utilities.

Iowa - H.F. 300, would have provided for taxation of electric transmission lines owned or operated by cooperative corporations or associations.

Missouri - H.B. 795, would have subjected rural electric cooperatives to same taxation as other utilities.

Nebraska - L.B. 391, would have amended Nebraska Constitution to provide that public power and irrigation districts shall be subject to taxation.

North Carolina - H.B. 426 and H.B. 909 (see above "Territorial Protection and Commission Regulation" for tax provision).

Ohio - H.B. 557, would have made municipally-owned utilities subject to real and personal property taxes.

- H.B. 558, would have made municipally-owned utilities subject to utility excise taxation.

Oklahoma - S.B. 189, would have imposed sales tax on industrial and commercial customers of rural electric cooperatives.

Pennsylvania - H.B. 746 (see above "Territorial Protection and Commission Regulation" for tax provision).

South Dakota - H.B. 754 (see above, "Territorial Protection and Commission Regulation").

#### Pending

South Carolina - H.B. 1712 (carried over to 1964 session), repeals item (46), Section 65-1522, 1962 Code, exempting rural electric cooperatives from certain taxation.



## ELECTRIFICATION AND TELEPHONE

### Cooperative Enabling Legislation

#### Enacted

Utah - S.B. 1 (approved 3/7), enacts a new non-profit corporation act.

#### Failed

Washington - H.B. 485, would have enacted a new non-profit corporation act.

### Amendment of Cooperative Enabling Laws

#### Enacted

Iowa - S.F. 349 (approved 5/17, Chap. 292), amends §499.41 and §499.46, 1962 Code, Cooperative Association Act to permit amendment of articles by majority of members (in place of three-fourths of all votes cast, with at least 25% of all members voting), present at annual or special meeting, and amendment of bylaws by majority of members present or represented (in place of majority of members or such larger vote as fixed by bylaws).

Minnesota - H.F. 371 (S.F. 366) (approved 4/5, Chap. 172), amends provisions of Cooperative Associations Act relating to election of directors.

- H.F. 377 (S.F. 395) (approved 3/29, Chap. 92), amends provisions of Cooperative Associations Act specifying filing procedures in dissolution of cooperatives.

Oregon - S.B. 132 (approved 4/25, Chap. 156), amends sections of Cooperative Corporation Act dealing with issuance of shares, setting a minimum for patronage transactions, merger and consolidation.

#### Failed

Minnesota - S.F. 962 and H.F. 1510, would have amended §308.12, Cooperative Associations Act, to provide that all equity credits of deceased patrons (net income allocated but not paid in cash) shall be promptly paid in cash.

### Commission Regulation

#### Enacted

Alaska - H.B. 228 (see above, "Territorial Protection and Commission Regulation").

Florida - S.B. 70 (effective 6/4, Chap. 63-296), creates Florida Public Utilities Regulatory Trust Fund for deposit of fees collected by the Commission; imposes a charge of 1/25 of 1% of gross intrastate operating revenue of regulated telephone, electric and gas utilities to be paid into the fund.

Indiana - S.B. 313 (approved by Governor), requires newspaper publication of proposed utility rate increases in affected county.

Iowa - S.F. 11 (H.F. 81), (see above, "Territorial Protection and Commission Regulation").

Nebraska - L.B. 82 (see above, "Territorial Protection and Commission Regulation").

Nevada - S.B. 258 (see above, "Territorial Protection and Commission Regulation").

North Carolina - S.B. 116 (see above, "Territorial Protection and Commission Regulation").

-S.B. 266 (ratified 6/11, Chap. 782), amends the Public Utility Act by adding provisions requiring Commission approval of payment or any other inducement to secure use of a utility's service, and the offering of the same inducement to all persons within the same classification of service; authorizes Commission to consider evidence of inducements offered by non-regulated competitors.

Wyoming - H.B. 25 (approved 2/6, Chap. 23), amends and re-enacts the Public Service Commission law.

#### Failed

Arizona - S.B. 222, would have amended §40-281, Ariz. Rev. Stat., dealing with certificates of public convenience and necessity by requiring payment of \$50 filing fee.

- H.C.Res. 9, would have amended Art. 51, §14 Ariz. Const., by prescribing use by Corporation Commission of fair value rather than replacement value in determining rates of a public service corporation.

Illinois - S.B. 524, would have permitted utilities and Commission to include, in determining its charges, an amount of reasonable surplus for expansion of service or facilities; prohibited any charge or deposit for extension of services or facilities.

- S.B. 998 and H.B. 1576, would have created a commission to study the administration of public utility regulatory acts and related problems.

Iowa - H.F. 302 (see above, "Territorial Protection and Commission Regulation")

Ohio - S.B. 195 and H.B. 543, would have substituted "fair value" for "reproduction cost new" as base for utility rates.

Oregon - H.B. 1342 (see above, "Territorial Protection and Commission Regulation").

- H.B. 1605 (see above, "Territorial Protection and Commission Regulation").

Pennsylvania - S.B. 718, would have created the Pennsylvania Public Service Commission to replace the Pennsylvania Public Utilities Commission.

South Dakota - S.B. 141 (see above, "Territorial Protection and Commission Regulation").

West Virginia - H.B. 24, would have amended provisions relating to changing rates of public utilities by PSC and extended period for suspension of rates to eleven calendar months.

- H.B. 21, would have provided for appointment of public counselor to represent taxpayers, patrons and public in all proceedings before the PSC.

#### Pending

Alaska - H.B. 158 (see above, "Territorial Protection and Commission Regulation").

- H.B. 159, re-creates Public Service Commission, defines authority and duties.

South Carolina - S.B. 281, provides for appointment of a committee to investigate the Public Service Commission and audit its accounts and records.

[Note: The 1963 sessions having adjourned, these bills are carried over to the 1964 session.]

#### Taxation

##### Enacted

Arizona - H.B. 271 (S.B. 260) (approved 3/27, Chap. 43), provides for the establishment of a division of appraisal and assessment standards in the State Tax Commission for the purpose of developing uniform valuation of property for tax purposes and establishes various classes of property including electric and telephone properties.

Montana - H.J.Res. 21 (passed House 2/19; passed Senate), directs Board of Equalization to report to next session on status of reclassification and re-appraisal program, and property tax equalization. [Passage followed defeat in Senate of four House-initiated bills dealing with classification and assessment of property for tax purposes.]

Tennessee - S.B. 126 (H.B. 126) (approved 2/26, Chap. 38), makes utility services subject to sales tax.

West Virginia - S.B. 256 (approved 3/8, effective 7/1/63, Chap. 152), imposes special license fees to be paid by public utilities for the Public Service Commission Fund.

##### Failed

Iowa - H.F. 138, would have authorized cities and towns to levy and collect a franchise tax up to 2% of gross revenues.

- H.F. 301, would have imposed an excise tax of 1/3 of one percent on the gross revenues of cooperative corporations or associations, municipal corporations or federal corporations acting in a proprietary capacity.



Minnesota - H.F. 1737, would have imposed 3% gross receipts tax on retail sales of electricity and local exchange telephone service.

Tennessee - H.B. 752, would have exempted companies furnishing electric power from gross receipts tax in certain cases.

- H.B. 753, would have exempted certain electric distributors from excise tax.

- H.B. 755, would have exempted certain electric distributors from franchise tax.

### Utility Relocation Reimbursement

#### Enacted

Minnesota - H.F. 521 (S.F. 259) (approved 3/6, Chap. 57), amends law relating to relocation of utilities located on interstate highway system.

Nevada - S.B. 134 (approved 4/1, Chap. 167), provides for reimbursement by State of costs incurred in relocating utility facilities on order of State Highway Engineer.

Pennsylvania - H.B. 1053 (approved 7/3, Act 121), amends Public Utility Law to empower Utilities Commission to apportion cost of relocation of utility facilities at or adjacent to certain crossings of highways or transportation facilities.

Tennessee - S.B. 738 (H.B. 895), (approved 4/1, Chap. 368), provides for reimbursement by State Highway Commissioner of costs of relocation of utility facilities in connection with construction of interstate and defense highway project.

Texas - S.B. 489 (approved), provides that relocation of utilities be considered as right-of-way acquisition cost.

Utah - S.B. 108 (approved), revises general highway law, including provisions relating to assistance in relocation of utilities.

West Virginia - S.B. 82 (H.B. 94), (approved), includes provisions relating to relocation of public utility lines and facilities to accommodate federal-aid interstate highway projects.

#### Failed

Montana - S.B. 211 (killed in Senate 2/12), would have relieved State of expense of relocating utility facilities on public lands.

South Dakota - S.B. 167, would have provided for payment by State of costs incurred in relocating utility facilities in connection with interstate and defense highway projects.

Utility Facilities - Damage or Destruction

Enacted

Oklahoma - H.B. 612 (approved 6/22), makes it a misdemeanor to attach unauthorized objects to utility poles or wires.

Wyoming - S.B. 64 (law without approval 2/7, Chap. 24, effective 5/18/63), provides penalties for placing posters or signs on utility poles or wires and for damaging public telephones and equipment.

Failed

Georgia - H.B. 127, would have made it unlawful to damage utility properties.

Uniform Commercial Code

This bill which has already been enacted in a number of States affects the form and recordation of security instruments. Bills providing for adoption of the Code were disposed of as follows:

Enacted

California - S.B. 118 (approved 6/8, Chap 819).

Indiana - S.B. 7 (approved).

Maine - H.B. 79 (approved).

Maryland - S.B. 71 (approved 4/30; effective 2/1/64, Chap. 538).

Missouri - S.B. 2 (approved).

Montana - H.B. 282 (approved 3/13, Chap. 264, effective 7/1/63).

Nebraska - L.B. 49 (approved).

Tennessee - H.B. 345 (approved 3/8, Chap. 81).

West Virginia - H.B. 3 (approved).

Wisconsin - S.B. 1 (approved 7/1, Chap. 158).

Failed

Minnesota - H.F. 294 and S.F. 868.

Washington - H.B. 129

Bills to amend previously enacted versions of the Code were disposed of as follows:

Enacted

Alaska - S.B. 66 (approved 3/31, Chap. 11)

Michigan - S.B. 1014 (approved).

New York - S.B. 2135 (approved).

Ohio - S..B. 35 (approved 3/27, effective 6/27/63).

Pennsylvania - S.B. 588 (approved).

Failed

Arkansas - H.B. 425 (would have repealed Code).

Oklahoma - S.B. 240 (would have repealed Code).

Oregon - S.B. 196 (would have amended Code).

Bills to establish committees to study and consider adoption of the Code were disposed of as follows:

Enacted

Florida - S.C.R. 692 (adopted).

Iowa - S.J.R. 17 (adopted).

Kansas - S.C.R. 19 (adopted).

South Carolina - H.B. 1472 (approved).

South Dakota - S.B. 234 (approved).

Failed

Idaho - S.B. 115

North Carolina - S.R. 501

Disposition of Unclaimed Property Act

This bill which has been enacted in a number of States provides for escheat to the State of unclaimed utility deposits and unclaimed corporate interests, including cooperative distributions.

Enacted

Illinois - H.B. 904 (approved), amends provisions of previously enacted uniform act.



Montana - H.B. 94 (approved 3/11, Chap. 244), enacts uniform act.

New Mexico - S.B. 282 (approved 3/22, Chap. 280), amends provisions of previously enacted uniform act.

New York - A.B. 5054 (approved 4/26, Chap. 833), relates to unclaimed refunds of utility customers.

#### Failed

Alabama - H.B. 634 and S.B. 381

Indiana - H.B. 1380.

Kansas - S.B. 162

Maine - S.B. 572 (would have provided for study of uniform act).

Nebraska - L.B. 8

Ohio - H.B. 541.

South Dakota - S.B. 105

Utah - S.B. 122 (would have amended 1957 enactment of uniform act).

Vermont - H.B. 374

Washington - H.B. 546 (would have amended 1955 enactment of uniform act).

#### Pending

Georgia - H.B. 6 (House Study Committee established; to report to 1964 session).

South Carolina - S.B. 21

Wisconsin - S.B. 6

#### Miscellaneous

##### Enacted

Indiana - H.C.Res. 21 (adopted 2/27), directs Legislative Advisory Commission to appoint a committee to study annexation laws and report to the General Assembly before September 1, 1964.

Oregon - H.B. 1427 (approved 4/17, Chap. 138), amends provisions limiting width of right-of-way which may be condemned for electric and telephone lines.

TELEPHONE

Amendment of Cooperative Enabling Laws

Failed

Missouri - H.J.Res. 28, would have amended Constitution to provide that cumulative voting for corporation directors shall not apply to subscriber-owned telephone corporations.

Oklahoma - H.B. 778, would have amended Rural Telephone Cooperative Act by eliminating requirement of membership authorization for acquisition of cooperative property by United States or certain other public bodies for public purposes.

Commission Regulation

Enacted

California - A.B. 67 (approved), requires Public Utilities Commission in fixing telephone rates to give consideration to comparison of quality of service and rates of adjoining companies.

Failed

Missouri - H.B. 695, would have empowered Public Service Commission to compel telephone companies to extend service in certified areas, and to extend certified areas.

Taxation

Enacted

Maine - H.B. 1077 (approved), relates to use of telephone tax.

North Dakota - H.B. 546 (approved), provides for taxation of private or commercial telephone companies engaged in serving rural areas.

- H.Con.Res. B (adopted), directs legislative Research Committee to conduct a study of the equities of telephone taxation.

Failed

Alabama - S.B. 96 (H.B. 152), would have amended Sec. 744, Title 37 Code of Ala., which relates to the maximum amount of privilege or license tax which the several municipalities within the State may annually assess and collect for the privilege of operating telephone exchanges and long distance telephone lines within the limits of such municipalities.

California - S.C.A. 18, would have amended Constitution to impose an annual tax of 1% of intrastate revenues in lieu of certain other specified taxes.

Iowa - H.F. 262, would have provided that drop and service lines be included in computing number of miles of telephone line for determination of value of telephone property for tax purposes.

- H.F. 534, would have provided for taxation of real estate of telephone and telegraph companies at place where located.

Maine - H.B. 694, related to apportionment of telephone and telegraph tax to municipalities.

Michigan - H.B. 209, would have repealed 1962 law taxing telephone service.

- H.B. 210, would have reduced tax on telephone service.

#### Telephone Facilities - Damage or Destruction - Penalties

##### Enacted

Colorado - S.B. 178 (approved).

Idaho - H.B. 210 (approved 3/8, Chap. 74).

Montana - S.B. 125 (approved 3/6).

Utah - S.B. 73 (approved).

##### Failed

Pennsylvania - H.B. 295, would have prohibited posting of signs on telephone poles.

Wyoming - S.B. 112

#### Telephone Party Lines - Emergency Calls

##### Enacted

Florida - S.B. 46 (law without approval 5/15, Chap. 63-54), requires relinquishment of telephone party line in emergencies.

Kansas - S.B. 348 (approved), provides penalties for failure to yield party lines for emergency calls and requires notice of law to appear in telephone directories.

Missouri - H.B. 213 (approved 6/25), provides penalties for failure to relinquish party line for emergency calls and requires notice of law to appear in all directories.

New Mexico - S.B. 318 (approved 3/27, Chap. 320), provides penalties for failure to relinquish party line for emergency calls.



Miscellaneous

Enacted

Oklahoma - H.B. 851 (approved 6/24), provides for central recordation of mortgages, deeds of trust, etc.

Failed

Indiana - H.B. 1335, would have required telephone companies to have not less than two switchboard operators on duty 24 hours a day.

Iowa - H.F. 448, would have required that charges made for long distance calls be relative to the distance involved.

Missouri - H.B. 168, would have prohibited telephone company from changing subscribers' telephone numbers without written consent, other than at the time of a general distribution of directories.

Pending

Wisconsin - S.B. 140, provides that when toll free telephone service between an exchange in a city of less than 500,000 population but more than 100,000 population and other exchanges is provided, the toll free service shall also extend between all such other exchanges.

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UNITED STATES DEPARTMENT OF AGRICULTURE  
Rural Electrification Administration

1964 State Legislation Affecting the REA Programs  
Highlights of State Legislative Developments  
First Interim Report - February 20, 1964

General. Since the beginning of the year 26 state legislatures have convened, 13 in regular, 8 in budget, and 5 in special sessions. Four states - Georgia, Kansas, South Dakota and West Virginia - adjourned their scheduled 1964 sessions. Of these, Kansas and West Virginia have reconvened in special session.

This report is preliminary and does not purport to be complete. Only bills directly affecting the REA programs and which have been brought to our attention are included. Status of bills is shown where known.

ELECTRIFICATION

Territorial Protection and Commission Regulation

Failed

South Dakota - H.B. 700\*, would have amended subsection 3 of the Electric Cooperative Law relating to the definition of "rural area" by repealing provisions (added in the 1963 session) permitting cooperative facilities in annexed areas to be acquired by the municipal or other utility providing service to the majority of customers in the city or town, and adding provisions authorizing cooperatives to continue to provide electric service in annexed areas; to furnish new service outlets in such annexed area only upon approval of the governing body of the city or town; and to permit cooperatives to use public lands and thoroughfares for such service subject to compliance with lawful safety requirements.

Pending

Delaware - H.B. 473\*, introduced December 2, 1963, under cooperative sponsorship, would prohibit duplication of existing electric service and provide for continuation of service in annexed areas [substantially the same as the model "Territorial Integrity Act"]

Maryland - H.B. 109 and S.B. 108, require gas or electric companies to obtain approval of Public Service Commission before extending facilities into new areas.

Virginia - S.B. 36\* (passed Senate), amends Utility Facilities Act, by adding section 56-265.4:1, authorizing municipal electric utilities to enter into agreements with other utilities with respect to municipal service outside of municipal boundaries; prohibiting municipal service in territory allotted to

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Bills marked with asterisk (\*) have been received and are available in the Office of Legislative and Interagency Consultant.

another utility except in territory served by the municipal utility on the effective date of act unless the affected utility consents or the State Corporation Commission grants a certificate to the municipal utility; prohibiting public utilities from serving territory being served exclusively by a municipal utility on the effective date of act unless municipal gives its consent; and providing that the Commission, on application by public utility or municipal, shall allot territory in case of question as to scope of territory.

### Commission Regulation

#### Pending

Maryland - H.B. 111 and S.B. 107, prohibit gas or electric companies from paying compensation or giving consideration to a customer to induce the use of services.

- H.B. 112 and S.B. 111, require gas and electric companies to keep separate books for their utility merchandising and other business.

- S.B. 110, requires a 60-day waiting period before changes in rate structures of gas and electric companies become effective.

### Electrical Licensing and/or Inspection

#### Enacted

South Dakota - S.B. 155\*, amends Chap. 216, Laws of 1963 providing for an exemption from requirements for bond and liability insurance for certain Class B electricians.

#### Failed

Alaska - H.B. 91, would have prohibited bidding on electrical contract by person not licensed by electrical board.

South Dakota - S.B. 140\*, would have repealed Chap. 216, Laws of 1963, establishing State Electrical Board.

#### Pending

Georgia - H.B. 1149, creates the State Board of Electrical Examiners.

Michigan - H.B. 408, amends provisions of Electrical Administrative Act relating to licensed electricians to require them to obtain permits in municipalities where inspection service is provided.

### Power Supply and Electric Lines

#### Pending

Mississippi - H.B. 143, provides for precautions to be taken in proximity of high voltage lines for the prevention of accidents.



Virginia - H.J.Res. 35\*, endorses Federal construction of the multiple purpose high level Salem Church Dam on the Rappahannock River.

Alaska - H.C.Res. 12, a resolution that the Legislature refrain from appropriating or authorizing use of public funds to promote favorable Congressional action on the proposed Rampart Dam hydroelectric project until full studies have been made.

#### Atomic Energy - Radiation Regulation

##### Enacted

West Virginia - H.B. 7 (S.B. 7), ratifies the Southern Interstate Nuclear Compact.

##### Pending

Arizona - S.B. 119\*, creates the Arizona Atomic Energy Commission.

Virginia - H.B. 406\*, provides for licensing of nuclear materials by the State Board of Health, authorizes the Board to promulgate regulations for control of radioactivity and designates the Board as the State Radiation Control Agency.

#### ELECTRIFICATION AND TELEPHONE

##### Commission Regulation

##### Pending

Alaska - H.B. 267, provides for increase in Public Service Commission from three to five members; two public members to be appointed by the Governor.

Arizona - S.B. 170\*, amends §40-281, Ariz. Rev. Stat., dealing with certificates of public convenience and necessity, by requiring payment of \$50 filing fee.

- H.C.Res. 19\*, amends Art. 15, §14, Ariz. Const., to require that the Corporation Commission shall, in determining rates for public service corporations, use fair value of property rather than replacement value.

Maryland - H.B. 108 and S.B. 109, require approval of Public Service Commission before a preferential rate based on equipment used for seasonal consumption can be offered by a utility.

- H.B. 110, requires Public Service Commission to receive comments from interested parties before approving rate changes.

##### Taxation

##### Failed

Virginia - S.B. 138\*, S.B. 139\*, S.B. 140\*, S.B. 142\*, S.B. 143\*, S.B. 144\*, and H.B. 261\*, would have provided for the taxation of the property and services of public service corporations. (These bills would have implemented



Plan A recommended by the Commission to Study State and Local Revenues and Expenditures and Related Matters established by the General Assembly in 1962. Plan A provides for equalization of the assessment ratio between public service property and non-utility real estate over a five-year period; requires all property of public utilities to be subject to local taxation at the real estate rate; and provides localities with additional revenues by extending to counties the public utility consumer tax and one half percent utilities gross receipts tax.)

#### Pending

Virginia - H.B. 790\* (same as S.B. 142, see above), authorizes counties to tax consumers of services of certain public service corporations, including electric and telephone.

#### Utility Facilities - Condemnation - Relocation

##### Pending

Maryland - H.B. 74, would require all utility lines to be placed underground.

Michigan - S.B. 1293, provides reimbursement to utility firms for relocation of facilities necessitated by federal-aid highway projects.

Virginia - S.J.Res. 1\*, directs the Virginia Advisory Legislative Council to study the use of easements by public service companies to determine whether condemnation statutes should be amended to require them to use easements more fully and to allow other companies to use such easements before additional land can be condemned for further easement.

- S.B. 134\*, adds Sec. 25-46.35 to the Virginia General Condemnation Act to restrict entrance upon adjoining land to cut trees or shrubbery.

- S.B. 190\*, amends Sec. 33-36.9 relating to reimbursement of utilities for relocation of facilities in connection with highway projects by making it applicable to counties which have their roads withdrawn from the secondary system of State highways.

- H.B. 559\*, amends Sec. 56-259 relating to contracts by public utility corporations for easements of right-of-way to provide that such contracts shall specify the location of the easement and adding Sec. 56-260.1 prohibiting such contracts from including provisions exempting corporations from liability for injuries.

#### Uniform Commercial Code

##### Enacted

South Carolina - S. 524, joint resolution to extend time for study committee to report on the Uniform Commercial Code to 1965, (Ratified February 6).

West Virginia - H.B. 46 (S.B. 33) amends provisions of the Code relating to filings (effective July 1, 1964).

Pending

Georgia - H.B. 797 (S.B. 272), amends Uniform Commercial Code relating to issuance of securities by certain public corporations.

Maryland - H.B. 88, corrects errors in various sections of Uniform Commercial Code.

Mississippi - S.B. 1501, enacts Uniform Commercial Code.

Virginia - S.B. 1\* (passed Senate)(H.B. 301), enacts Uniform Commercial Code.

Disposition of Unclaimed Property

Pending

Vermont - H.B. 15\*, enacts the Uniform Disposition of Unclaimed Property Act, which includes provisions for the escheat to the State of unclaimed utility deposits and unclaimed corporate interests, including cooperative distributions.

Miscellaneous

Enacted

Kentucky - S.Res. 15, directs the Legislative Research Commission to study reports, plans, and organizational structures of local public utility districts to determine the advisability of establishment of similar organizations in the Commonwealth.

Pending

Virginia - H.J.Res. 15\*, directs the Advisory Legislative Council to study and report on the advisability of creating an agency for the protection of interests of consumers in certain matters including electric and telephone rates.

- S.J.Res. 40\*, directs State Corporation Commission to supply certain information regarding rates and charges of electric and telephone companies.

TELEPHONE

Amendment of Cooperative Enabling Law

Pending

Georgia - H.B. 1002, amends Rural Telephone Cooperative Act to permit cooperatives to maintain business offices and supply yards in municipalities having population of not less than 8,325 and not more than 8,665, (local legislation).

Kentucky - S.B. 19\* (passed Senate, February 4) and H.B. 55\*, amend the Rural Telephone Cooperative Corporation Act to provide that the name of a cooperative shall include the words "Telecommunications," "Company" or "Corporation" and to permit the election of one-third of the board of trustees annually to serve three year terms in place of electing one-half of the board for two-year terms.

Taxation

Failed

South Dakota - H.B. 526\*, would have amended provisions of Title 57 relating to taxation of telephone companies to establish classification of telephone companies serving rural areas; defined "rural area" to mean an area where the number of telephone subscribers or patrons do not average more than six to a mile of line; defined the term "line" to include "all communications transmission circuits, voice or otherwise;" and provided for the levy of a two percent gross receipts tax on telephone companies which do not average more than four subscribers per mile of line, a three percent gross receipts tax on telephone companies averaging in excess of four but not more than five subscribers per mile of line, and a four percent gross receipts tax on telephone companies averaging in excess of five but not more than six subscribers per mile of line.

Pending

Michigan - H.B. 540, repeals sales tax on telephone and telegraph service.  
- H.B. 541, repeals use tax on telephone and telegraph service.

Virginia - H.B. 791\*, amends Secs. 58-579, 58-580 and 58-603, to permit counties to levy gross receipts and license taxes on telephone companies. (S.B. 141, same as H.B. 791, killed in Senate.)

Telephone Facilities - Damage or Destruction

Pending

Georgia - H.B. 1150, amends act relating to injuring or interfering with property of communications systems.

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UNITED STATES DEPARTMENT OF AGRICULTURE  
Rural Electrification Administration

1964 State Legislation Affecting the REA Programs  
Highlights of State Legislative Developments  
Second Interim Report - May 20, 1964

General. Since the beginning of the year 31 state legislatures have convened, 15 in regular, 8 in budget, and 8 in special sessions. General sessions have not yet adjourned in 5 states - Louisiana, Massachusetts, Michigan, Mississippi and New Jersey. Two general sessions are in recess - Alaska (until May 25) and Wisconsin (until November 9). The budget session in Pennsylvania has not yet adjourned; the budget session in Delaware is in recess. Georgia convened in special session on May 4.

This report is preliminary and does not purport to be complete. Only bills directly affecting the REA programs and which have been brought to our attention are included. Status of bills is shown where known.

ELECTRIFICATION

Territorial Protection and Commission Regulation

Enacted

Virginia - S.B. 36\* (approved 3/31, Chap. 228), amends Utility Facilities Act, by adding section 56-265.4:1, authorizing municipal electric utilities to enter into agreements with other utilities with respect to municipal service outside of municipal boundaries; prohibiting municipal service in territory allotted to another utility except in territory served by the municipal utility on the effective date of act unless the affected utility consents or the State Corporation Commission grants a certificate to the municipal utility; prohibiting public utilities from serving territory being served exclusively by a municipal utility on the effective date of act unless municipal gives its consent; providing that the Commission, on application by public utility or municipal, shall allot territory in case of question as to scope of territory; and permitting municipal utilities to construct and maintain facilities in county areas for the purpose of generating or purchasing electricity to be transmitted into the municipal service area.

Failed

Maryland - H.B. 109 and S.B. 108\*, would have required electric or gas companies to obtain approval of Public Service Commission before extending facilities into new territory; provided that Commission require showing that proposed extension was warranted in terms of cost and of convenience and need of persons to be served; and would have been applicable to service supplied to a new customer from facilities existing and operating in the same contiguous neighborhood.

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\*Bills marked with asterisk (\*) have been received and are available in the Office of the Legislative and Interagency Consultant.

South Dakota - H.B. 700\*, would have amended subsection 3 of the Electric Cooperative Law relating to the definition of "rural area" by repealing provisions (added in the 1963 session) permitting cooperative facilities in annexed areas to be acquired by the municipal or other utility providing service to the majority of customers in the city or town, and adding provisions authorizing cooperatives to continue to provide electric service in annexed areas; to furnish new service outlets in such annexed area only upon approval of the governing body of the city or town; and to permit cooperatives to use public lands and thoroughfares for such service subject to compliance with lawful safety requirements.

Pending

Alaska - H.B. 344\*, would repeal the provisions of Chap. 95, Laws of 1963 which amend the Alaska Public Service Commission Act to prohibit utility (electric and telephone) operation after January 1, 1964, without a certificate of convenience and necessity to authorize the issuance of certificates of convenience and necessity to public utilities delineating service areas, with a "grandfather clause" requiring issuance of certificates to utilities actually operating or installing facilities on October 15, 1962; to define public utility to exclude municipal utilities; to eliminate exemption of public utilities doing gross annual business of less than \$100,000; and to repeal provision that act shall not apply to a utility until legislature has enacted specific legislation.

Delaware - H.B. 473\*, introduced December 2, 1963, under cooperative sponsorship, would prohibit duplication of existing electric service and provide for continuation of service in annexed areas [substantially the same as the model "Territorial Integrity Act"].

Mississippi - H.B. 772\* and S.B. 2001\*, would amend Sec. 3374-119, relating to powers of municipalities, to permit utilities to use streets and alleys for erection of utility facilities, by adding provisions granting electric utilities franchised to serve a municipality the right to serve in annexed areas; to limit the right of an unfranchised electric utility having a certificate for an area which is annexed to serve only those consumers which it was serving at the time of annexation; and to prohibit the expansion or extension of service by the unfranchised utility in the annexed area until it secures a franchise. (S.B. 1800\*, indefinitely delayed in Senate Committee, would have amended Sec. 3374-119, to add provisions requiring an electric utility serving an area annexed by a municipality to secure a franchise, within six months after annexation, in order to continue service in such area; to remove or sell its equipment and facilities within the annexed area to the municipal or franchised utility; to permit the municipal or franchised utility to extend its service into an annexed area regardless of existing electric facilities; to provide for compensation to the electric utility for the value of facilities removed from annexed areas, including severance damages, to be fixed by the Public Service Commission; and to establish procedure for electric utility to apply for franchise in annexed area.)

[All the foregoing Mississippi bills are opposed by the cooperative systems.]



## Commission Regulation

### Failed

Maryland - H.B. 111\* and S.B. 107\*, would have prohibited gas or electric companies from paying compensation or giving consideration to a customer to induce the use of services.

- S.B. 110\*, and H.B. 110\*, would have required proposed change in rates for electric and gas companies to be on file in office of Commission and available for public inspection for sixty days before being put into effect, and permitted extension of such time to allow any consumer or competing private enterprise to file comments or objections to the rate change.

- H.B. 112 and S.B. 111\*, would have required electric and gas companies to keep separate books for their public service business and any merchandising or other business which they may operate; prohibited the comingling of profits or losses and provided that rates for the public service business be determined only by factors directly affecting such operations.

- H.B. 108 and S.B. 109, would have required approval of Public Service Commission before a preferential rate based on equipment used for seasonal consumption can be offered by a utility.

### Pending

Mississippi - H.B. 620\*, amends Sec. 7716-04, relating to the jurisdiction and powers of the Public Service Commission, to make actions of the commission, including changes in public utility rates, subject to the consent of three-fifths majority of both houses of the Legislature.

## Taxation

### Enacted

Wisconsin - S. 660 (approval 4/16, Chap. 477), repeals sales tax on electricity for residential use.

### Failed

Mississippi - H.B. 567\*, would have amended Sec. 10116, Miss. Code of 1942, to repeal the tax exemption from sales to rural electric associations or electric cooperatives.

South Carolina - H.B. 1712 (carried over from 1963 session), would have repealed item (46), Sec. 65-1522, exempting rural electric cooperatives from certain taxation.

### Pending

Mississippi - S.B. 2009\*, amends Sec. 9700, relating to exemption of property of nonprofit cooperative electric power associations from taxation to eliminate the exemption on the business done or property owned within the corporate limits of a municipality.

(H.B. 167\*, which would have repealed Sec. 9700, was killed in Committee.)



## Electrical Licensing and/or Inspection

### Enacted

South Dakota - S.B. 155\*, amends Chap. 216, Laws of 1963 providing for an exemption from requirements for bond for certain Class B electricians.

### Failed

Alaska - H.B. 91\*, would have prohibited bidding on electrical contract by person not licensed by electrical board.

Georgia - H.B. 1149\*, would have created the State Board of Electrical Examiners and provided for the examination and licensing of electricians.

South Dakota - S.B. 140\*, would have repealed Chap. 216, Laws of 1963, establishing State Electrical Board.

### Pending

Alaska - H.B. 348\*, amends AS08.40.100 to waive licensing requirement for person acting as electrical contractor if fewer than three licensed electrical contractors reside within 20 miles of location of work, and if person has been unable to secure services of a licensed electrical contractor without payment of above normal rates, and adds AS08.40.175 to provide that utility shall inspect installation by unlicensed electrical contractor before supplying electricity and makes utility liable for damages resulting from faulty wiring to which it should not have connected.

Delaware - H.B. 590, provides for creation of a Board of Electrical Examiners, prescribes regulations for reduction of fire hazards and protection of life and property.

Michigan - H.B. 408\*, amends provisions of the Electrical Administrative Act to define "master electrician" and establish their license fee; provides for the adoption by municipalities of state board licensing; permits applicants for licenses residing in cities, villages or townships of less than 5,000 population who have been regularly engaged in electrical work or contracting and who meet minimum license requirement to qualify for license without an examination; and provides procedure for suspension of licenses.

New Jersey - S.B. 326, transfers the functions of the Electrical Contractors Licensing Act of 1962 to the Department of Labor and Industries and provides for the licensing of electricians and the inspection of electrical installations.

## Power Supply and Electric Lines

### Enacted

Arizona - H.J.M. 2\* (approved 3/16), urges Congress to enact legislation to restrict issuance of licenses for construction of dams on Colorado River between Glen Canyon Dam and Lake Mead (Hoover Dam) for period ending December 31, 1965.

Failed

Virginia - H.J.Res. 35\*, would have endorsed Federal construction of the multiple purpose high level Salem Church Dam on the Rappahannock River.

Pending

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Prepared by:

Dea Shesser

Charles W. Lammert

Legislative and Interagency Consultant\*  
Office of the Administrator

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Perrine

FEDERAL STATE LEGISLATION

UNITED STATES DEPARTMENT OF AGRICULTURE  
Rural Electrification Administration

1964 State Legislation Affecting the REA Programs  
Highlights of State Legislative Developments  
Final Report - August 1, 1964

General. Since the beginning of the year, 23 state legislatures convened in regular (15) and budget (8) sessions. Sessions have not yet adjourned in Delaware, New Jersey and Wisconsin.

This report shows the final status of bills included in earlier reports and those subsequently introduced.

ELECTRIFICATION

Territorial Protection and Commission Regulation

Enacted

Virginia - S.B. 36\* (approved 3/31, Chap. 288), amends Utility Facilities Act, by adding section 56-265.4:1, authorizing municipal electric utilities to enter into agreements with other utilities with respect to municipal service outside of municipal boundaries; prohibiting municipal service in territory allotted to another utility except in territory served by the municipal utility on the effective date of act unless the affected utility consents or the State Corporation Commission grants a certificate to the municipal utility; prohibiting public utilities from serving territory being served exclusively by a municipal utility on the effective date of act unless municipal gives its consent; providing that the Commission, on application by public utility or municipal, shall allot territory in case of question as to scope of territory; and permitting municipal utilities to construct and maintain facilities in county areas for the purpose of generating or purchasing electricity to be transmitted into the municipal service area.

Failed

Alaska - H.B. 344\*, would have repealed the provisions of Chap. 95, Laws of 1963 which amend the Alaska Public Service Commission Act to prohibit utility (electric and telephone) operation after January 1, 1964, without a certificate of convenience and necessity; to authorize the issuance of certificates of convenience and necessity to public utilities delineating service areas, with a "grandfather clause" requiring issuance of certificates to utilities actually operating or installing facilities on October 15, 1962; to define public utility to exclude municipal utilities; to eliminate exemption of public utilities doing gross annual business of less than \$100,000; and to repeal provision that act shall not apply to a utility until legislature has enacted specific legislation.

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\*Bills marked with asterisk (\*) have been received and are available in the Office of the Legislative and Interagency Consultant.



Louisiana - H.B. 811\*, withdrawn June 10, 1964, after unfavorable committee action, would have amended sections 121 and 123, Title 45, La. Rev. Stats. 1950, to redefine "electric public utility" to include electric cooperatives to a limited extent; to provide for the issuance of territorial certificates to electric public utilities (including cooperatives) upon application to the commission on the basis of territory already being served or inadequately served; to prohibit future encroachment into certificated territory by other utilities; to authorize continuance of service to premises already being served; and to authorize continuance and extension of service in certificated territory which is annexed to or incorporated within municipal limits, except those served by a municipal utility.

- H.B. 812\*, withdrawn June 10, 1964, after unfavorable committee action, would have amended Sec. 326, Title 12, La. Rev. Stat. (Electric Cooperative Law), relating to exemption of cooperatives from jurisdiction of Public Service Commission by adding provisions to give PSC jurisdiction over reasonableness of rates, adequacy of service, and disputes with respect to services or rates between cooperatives and electric public utilities. The Commission would have been specifically authorized to establish certificated territory for cooperatives, and been required to hold hearings involving a cooperative in Public Service District in which cooperative is domiciled.

- H.B. 813\*, withdrawn June 10, 1964, after unfavorable committee action, would have amended the Louisiana Constitution to confer jurisdiction upon the Public Service Commission over matters covered by H.B. 811 and H.B. 812 (see above).

[H.B. 811, 812, 813 were sponsored by the Louisiana cooperatives after failure to arrive at a compromise with Louisiana power companies over territorial integrity legislation; opposed by the power companies.]

- H.B. 628\*, passed House and Senate, vetoed on 7/4/64 by Governor, would have amended Sec. 326, Title 12, La. Rev. Stat. (Electric Cooperative Law) to repeal provision exempting electric cooperatives from jurisdiction of Public Service Commission and to reenact same to provide that cooperatives shall in all respects be subject to the jurisdiction, supervision, regulation, and control of the PSC. Sec. 1161, Title 45, La. Rev. Stat. defining "public utility" was amended to remove the exemption of electric properties owned or operated by rural cooperatives. [H.B. 628 was sponsored by Louisiana power companies after failure to arrive at a compromise with the Louisiana cooperatives over territorial integrity legislation; opposed by the electric cooperatives.]

Maryland - H.B. 109 and S.B. 108\*, would have required electric or gas companies to obtain approval of Public Service Commission before extending facilities into new territory; provided that Commission require showing that proposed extension was warranted in terms of cost and of convenience and need of persons to be served; and would have been applicable to service supplied to a new customer from facilities existing and operating in the same contiguous neighborhood .

Mississippi - H.B. 772\* and S.B. 2001\*, would have amended Sec. 3374-119, relating to powers of municipalities, to permit utilities to use streets and alleys for erection of utility facilities, by adding provisions granting electric utilities franchised to serve a municipality the right to serve in



annexed areas; to limit the right of an unfranchised electric utility having a certificate for an area which is annexed to serve only those consumers which it was serving at the time of annexation; and to prohibit the expansion or extension of service by the unfranchised utility in the annexed area until it secures a franchise. (S.B. 1800\*, indefinitely delayed in Senate Committee, would have amended Sec. 3374-119, to add provisions requiring an electric utility serving an area annexed by a municipality to secure a franchise, within six months after annexation, in order to continue service in such area; to remove or sell its equipment and facilities within the annexed area to the municipal or franchised utility; to permit the municipal or franchised utility to extend its service into an annexed area regardless of existing electric facilities; to provide for compensation to the electric utility for the value of facilities removed from annexed areas, including severance damages, to be fixed by the Public Service Commission; and to establish procedure for electric utility to apply for franchise in annexed area.)

[The foregoing Mississippi bills were opposed by the cooperative systems.]

South Dakota - H.B. 700 \*, would have amended subsection 3 of the Electric Cooperative Law relating to the definition of "rural area" by repealing provisions (added in the 1963 session) permitting cooperative facilities in annexed areas to be acquired by the municipal or other utility providing service to the majority of customers in the city or town, and adding provisions, authorizing cooperatives to continue to provide electric service in annexed areas; to furnish new service outlets in such annexed area only upon approval of the governing body of the city or town; and to permit cooperatives to use public lands and thoroughfares for such service subject to compliance with lawful safety requirements.

#### Pending

Delaware - H.B. 473\*, introduced December 2, 1963, under cooperative sponsorship, would prohibit duplication of existing electric service and provide for continuation of service in annexed areas [substantially the same as the model "Territorial Integrity Act"].

#### Commission Regulation

##### Failed

Louisiana - H.B. 628\*, would have subjected electric cooperatives to Public Service Commission regulation (see H.B. 628, 811, 812 and 813 under "Territorial Protection and Commission Regulation," failed, above).

Maryland - H.B. 111\* and S.B. 107\*, would have prohibited gas or electric companies from paying compensation or giving consideration to a customer to induce the use of services.

- S.B. 110\* and H.B. 110\*, would have required proposed change in rates for electric and gas companies to be on file in office of Commission and available for public inspection for sixty days before being put into effect, and permitted extension of such time to allow any consumer or competing private enterprise to file comments or objections to the rate change.

- H.B. 112 and S.B. 111\*, would have required electric and gas companies to keep separate books for their public service business and any merchandising or other business which they may operate; prohibited the comingling of profits or losses and provided that rates for the public service business be determined only by factors directly affecting such operations.

- H.B. 108 and S.B. 109, would have required approval of Public Service Commission before a preferential rate based on equipment used for seasonal consumption can be offered by a utility.

Mississippi - H.B. 620\*, would have amended Sec. 7716-04, relating to the jurisdiction and powers of the Public Service Commission, to make actions of the commission, including changes in public utility rates, subject to the consent of three-fifths majority of both houses of the Legislature.

### Taxation

#### Enacted

Wisconsin - S. 660 (approved 4/16, Chap. 477), repeals sales tax on electricity for residential use.

#### Failed

Mississippi - H.B. 567 \*, would have amended Sec. 10116, Miss. Code of 1942, to repeal the tax exemption for sales to rural electric associations or electric cooperatives.

- S.B. 2009\*, amends Sec. 9700, relating to exemption of property of nonprofit cooperative electric power associations from taxation to eliminate the exemption on the business done or property owned within the corporate limits of a municipality.

(H.B. 167\*, which would have repealed Sec. 9700, was killed in Committee.)

### Electrical Licensing and/or Inspection

#### Enacted

South Dakota - S.B. 155\*, amends Chap. 216, Laws of 1963 providing for an exemption from requirements for bond for certain Class B electricians.

#### Failed

Alaska - H.B. 91\*, would have prohibited bidding on electrical contract by person not licensed by electrical board.

- H.B. 348\*, would have amended AS08.40.100 to waive licensing requirement for person acting as electrical contractor if fewer than three licensed electrical contractors reside within 20 miles of location of work, and if person has been unable to secure services of a licensed electrical contractor without payment of above normal rates, and added AS08.40.175 to provide that utility shall inspect installation by unlicensed electrical contractor before supplying electricity and made utility liable for damages resulting from faulty wiring to which it should not have connected.



Delaware - H.B. 590, would have provided for creation of a Board of Electrical Examiners, prescribed regulations for reduction of fire hazards and protection of life and property.

Georgia - H.B. 1149\*, would have created the State Board of Electrical Examiners and provided for the examination and licensing of electricians.

Michigan - H.B. 408\*, would have amended provisions of the Electrical Administrative Act to define "master electrician" and establish their license fee; provided for the adoption by municipalities of state board licensing; permitted applicants for licenses residing in cities, villages or townships of less than 5,000 population who have been regularly engaged in electrical work or contracting and who meet minimum license requirement to qualify for license without an examination; and provided procedure for suspension of licenses.

South Dakota - S. B. 140\*, would have repealed Chap. 216, Laws of 1963, establishing State Electrical Board.

#### Pending

New Jersey - S.B. 326, transfers the functions of the Electrical Contractors Licensing Act of 1962 to the Department of Labor and Industries and provides for the licensing of electricians and the inspection of electrical installations.

#### Power Supply and Electric Lines

##### Enacted

Arizona - H.J.M. 2\* (approved 3/16), urges Congress to enact legislation to restrict issuance of licenses for construction of dams on Colorado River between Glen Canyon Dam and Lake Mead (Hoover Dam) for period ending December 31, 1965.

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State legislation affecting the  
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1962-1964

HD9688.U5A4

DATE

ISSUED TO

